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Daily Report

Latin America

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CONTENTS

CARIBBEAN

Cuba

Alarcon Criticizes Summit at Parlatino Meeting 1
Discusses Latin American Debt *[Havana Radio]* 1
Questions 'Tangible Results' From Summit *[Havana Radio]* 1
Views Summit, Rafter Riots *[PRENSA LATINA]* 1
Specialist Considers U.S. Initiative on Summit *[Havana Radio]* 2
'Special Envoy' Questions Free Trade Accord *[Havana Radio]* 3
Summit Expected To Yield 'Little Substance' *[Havana TV]* 3
Opposition to Cuban Exclusion From Summit Reported *[Havana Radio]* 4
Caribbean Leaders Oppose U.S. Blockade Against Cuba *[PRENSA LATINA]* 4
Signing of Declaration at Summit Reported *[PRENSA LATINA]* 4
Article on Miami Summit, Clinton, Monroe Doctrine *[PRENSA LATINA]* 5
Commentary Views Cuban Achievement of Summit Demands *[Havana Radio]* 6
Commentator Questions Summit Talks on Tourism *[Havana Radio]* 7
Commentary Decries Menem's Role at Miami Summit *[Havana Radio]* 7
'Blah, Blah, Blah' of 'Cuba-Less Summit' Rejected *[Havana Radio]* 8
U.S. Officials Cited on Drowned Rafters *[Havana Radio]* 8
Correspondent Discusses Rafter Riots in Panama *[Havana Radio]* 9
Injuries in Riots Reported *[PRENSA LATINA]* 9
Foreign Minister Meets Tunisian, Palestinian Counterparts *[Havana Radio]* 10
Arrives in Libya *[Havana Radio]* 10
Begins Official Visit *[PRENSA LATINA]* 10
Meets With al-Qadhdhafi *[Havana Radio]* 10
Talks Begin on Judicial Accord With Uruguay *[Havana TV]* 11
Fidel Castro Praises Participative Democracy Workshop *[Havana Radio]* 11
Havana Archbishop Cited on Appointment to Cardinal *[PRENSA LATINA]* 11
Fidel Castro Praises Filmmaker, Backs Movie Industry *[Havana TV]* 12
Deputy Foreign Minister Views Economy, U.S. Ties *[Prague LIDOVE NOVINY 7 Dec]* 12
'Straight Talk' Debates Sugarcane Initiatives *[Havana Radio]* 13
Minaz Mechanical Union Produces Sugar Industry Parts *[Havana TV]* 15
Nickel Plant Said To Pollute Sea With Metals, Acids *[PRENSA LATINA]* 15
Lage Commends EJT for Isle of Youth Agricultural Efforts *[Havana TV]* 16
Havana To Host AIDS Conference Next May *[PRENSA LATINA]* 16
Doctor Meets Press on Meningitis Vaccine's Success *[Havana Radio]* 16
Hospital Cleaning Problems Solved *[TRABAJADORES 31 Oct]* 17

Inter-Caribbean Affairs

Editorial Welcomes Inclusion of Bananas, Debt at Summit *[CANA]* 18

Bahamas

Report Suggests PLP Government Violated Financial Laws *[CANA]* 19

Cayman Islands

Authorities Grant 41 Cubans Political Asylum *[CANA]* 20

Grenada

Prime Minister Pleased Bananas on Summit Agenda *[CANA]* 20

Haiti

Senate Backs Forming of Provisional Electoral Council *[Port-au-Prince Radio]* 20
Bazin Government Council Protests Dissolution *[Port-au-Prince Radio]* 21
FRAPH Leader Summoned to Court on Torture Charges *[Port-au-Prince Radio]* 21

MEXICO

EZLN Breaks Truce; Hostilities May Resume 'at Any Time' *[Hamburg DPA]* 23
EZLN's Marcos Warns Government 'Time Is Up' *[LA JORNADA 8 Dec]* 23
Zedillo on Chiapas, Price Stability, Employment *[Mexico City TV]* 24
Chiapas Governor Includes PRD, PAN in Cabinet *[UNOMASUNO 8 Dec]* 25
Interviewed on Chiapas Situation *[Mexico City Radio]* 25
Chiapas Mediator Warns of Danger of Parallel Governments *[LA JORNADA 9 Dec]* 27
State Prosecutor's Office To Charge Instigators of Clash *[Mexico City TV]* 27
Secretariats Disclose Prominent Appointments *[REFORMA 6 Dec]* 28
Zedillo Appoints Agrarian, Industrial Development Officials *[REFORMA 7 Dec]* 28
Zedillo Confirms More Appointments *[Mexico City TV]* 29
Government Announces New Appointments *[Mexico City TV]* 29
Zedillo Sends Congress Bill on Public Administration *[Mexico City TV]* 30
Zedillo Sends Economic Program to Chamber of Deputies *[Mexico City TV]* 30
Finance Secretary Explains 1995 Economic Package *[Mexico City TV]* 30
Secofi Head Urges Increased Productivity, Competitiveness *[LA JORNADA 6 Dec]* 31
Canacintra Submits Industrial Proposals *[LA JORNADA 6 Dec]* 32
Attorney General on Appointment, Issues *[Mexico City Radio]* 32

CENTRAL AMERICA

El Salvador

Human Rights Commission Chief Cited on PNC Abuses *[San Salvador Radio]* 35
FMLN Leader on ERP Decision To Leave Organization *[San Salvador TV]* 35
Defense Minister Views Visit to Chile, Paraguay *[San Salvador TV]* 36
Poll Surveys Public Views on Corruption *[El SALVADOR PROCESO 2 Nov]* 36

Guatemala

Vice President Urges Talks With Rebels *[LA REPUBLICA 9 Dec]* 37

Honduras

Reina To Reactivate National Security Council *[TIEMPO 7 Dec]* 37

Nicaragua

Chamorro To Ask in Miami To Prolong Stay of Citizens *[EL NUEVO DIARIO 9 Dec]* 38
President: Officials Seeking Office Must Resign *[Managua TV]* 39
Executive Branch Pressures Assembly on Budget *[EL NUEVO DIARIO 7 Dec]* 39
Finance Minister Redistributes Budget *[Managua TV]* 40
Foreign Minister Complains About Budget Cuts *[Managua Radio]* 41

Panama

Developments, Comments on Cuban Rafter 'Uprising' Reported 41
Foreign Minister Comments *[Panama City Radio]* 41
Over 1,000 Cuban Rafters Reported Recaptured *[ACAN]* 41
Two Bodies Found in Canal *[LA PRENSA 11 Dec]* 42
Government Issues Communique *[Government and Justice Ministry Press Release]* 43
Government Holds News Conference *[Panama City TV]* 43
Minister Urges Citizens to Help in Search *[Panama City Radio]* 44
Rafters 'Not Panama's Responsibility' *[LA ESTRELLA DE PANAMA 12 Dec]* 44

Rights Official Seeks UN Intervention *[LA ESTRELLA DE PANAMA 10 Dec]* 44
Columnist: 'Gringos,' Cubans Should Go *[EL SIGLO 10 Dec]* 45
Commentary Assesses Riot, Police Performance *[EL PANAMA AMERICA 10 Dec]* 45
Surveillance in Canal Area To Be Increased *[Panama City TV]* 45
Canal Security Link to Rafters Denied *[EL PANAMA AMERICA 10 Dec]* 46
Security Reinforced at Embassies *[EL PANAMA AMERICA 12 Dec]* 46
Government Issues Counterproposal on U.S. Trade Request *[EL SIGLO 7 Dec]* 47
Deputy Minister Comments on Advantages to Joining GATT
[LA ESTRELLA DE PANAMA 9 Dec] 47
ARI Asks U.S. To Remove Toxic Substances From Bases *[LA PRENSA 7 Dec]* 47

SOUTH AMERICA

Argentina

Under Secretary Examines Mercosur Prospects *[LA NACION 6 Dec]* 49
South Atlantic Squid Harvest Limit Increased *[NOTICIAS ARGENTINAS]* 50
Chamber Approves Creation of 'Undercover Agent' *[NOTICIAS ARGENTINAS]* 50
UCR National Convention Leader Resigns *[CLARIN 8 Dec]* 50

Bolivia

Government Responds to UCS Leader's Accusations *[La Paz TV]* 51

Brazil

President Leaves for Americas Summit *[Rio de Janeiro TV]* 51
Miami Summit Action Plan Said 'in Doubt' *[AGENCIA ESTADO]* 51
Franco To Meet Clinton in Washington *[AGENCIA ESTADO]* 52
Continental Integration 'Difficulties' Noted *[AGENCIA ESTADO]* 52
Cardoso Names Health, Army, Other Ministers *[O GLOBO 9 Dec]* 53
PMDB To Support Cardoso's Proposed Reforms *[Brasilia Radio]* 53
CNEN Authorizes Reopening of Nuclear Plant *[AGENCIA ESTADO]* 54
Controls on Chemical Precursors Tightened *[AGENCIA ESTADO]* 54

Chile

Frei on NAFTA, Labor, Environmental Laws *[Santiago TV]* 55
Minister Criticizes Dollar Exchange Rate Decision *[Santiago TV]* 55
Opposition Leaders Discuss Proposed Reforms *[EL MERCURIO 4 Oct]* 55
RN's Pinera on Appointed Senators *[EL MERCURIO 19 Oct]* 57

Colombia

Samper Discloses Position on Cuba Before Summit *[Santa Fe de Bogota TV]* 58
Samper Backs Rural Security Cooperatives Project *[Santa Fe de Bogota TV]* 58
New Police Director Changes Cali Search Bloc *[Santa Fe de Bogota TV]* 58
Andean Jurist Commission Issues Human Rights Report *[Santa Fe de Bogota TV]* 59
Minister Explains Minimum Wage Adjustment *[Santa Fe de Bogota Radio]* 59
Government, Business, Labor Sign Social Pact *[Santa Fe de Bogota TV]* 60

Ecuador

President Vetoes Bill To Redistribute Revenues *[NOTIMEX]* 61
Official Denies Report on Increase in Army Size *[NOTIMEX]* 61
IESS Rejects Proposed Social Security Reforms *[Quito Radio]* 61
Minister Urges 'Great Responsibility' on Constitutional Reform *[Quito Radio]* 61

Paraguay

Rosa Rodriguez Murder Suspect: Military Officers Involved in Drugs *[ABC COLOR 6 Dec]* 62
Further on Suspect's Testimony *[ABC COLOR 6 Dec]* 63

Peru

Shining Path Planned To Bomb U.S. Embassy *[LA REPUBLICA 24 Nov]* 63
State of Emergency Extended in Several Provinces *[NOTIMEX]* 64
Joint Command Chairman Announces 'All-Out War' on Drugs *[Madrid EFE]* 64
Committee Approves Restrictions on Fujimori's Campaign *[Lima TV]* 65
Rimac District To Receive Medical Support From Cuba *[LA REPUBLICA 28 Nov]* 65
Fujimori Announces $150 Million Credit From Japan *[Madrid EFE]* 65

Uruguay

Report Details Senate Composition After Elections *[EL PAIS 29 Nov]* 66
State Oil Enterprise Controls Brazilian Ship's Oil Spill *[Madrid EFE]* 66

Venezuela

Finance Minister on Bonds, CVG Restructuring *[EL GLOBO 6 Dec]* 66
Denies Bonds Violate International Pacts *[REPORTE DE LA ECONOMIA 8 Dec]* 67
Council of Ministers Approves CVG Privatizations *[Caracas Radio]* 67
BCV President Notes 'Dangerous Campaign' Against Banking System *[Caracas Radio]* 68
Fedecamaras President Urges Support for Banks *[Caracas Radio]* 68
Congress Approves Increases in 1995 Budget *[EL NACIONAL 6 Dec]* 68
Minister Calls 1995 Prospects 'Extremely Encouraging' *[EL GLOBO 9 Dec]* 70
Credit Cards Authorized for Overseas Use *[Caracas Radio]* 70
Caldera Speech Marks Anniversary of Electoral Victory *[EL UNIVERSAL 6 Dec]* 71
National Convergence, MAS Leaders Support Caldera *[EL NACIONAL 6 Dec]* 72
New Copei Secretary Rules Out Rapprochement With Caldera *[Caracas Radio]* 73
Congress Reforms Laws Governing Armed Forces, Media *[Caracas Radio]* 73
Navy Commander Says 1995 Budget Allocation 'Insufficient' *[EL GLOBO 7 Dec]* 74
Agricultural Projects To Assist With Security in Border Areas *[Caracas Radio]* 74
Army Arrests 100 Undocumented Colombian Citizens *[EL UNIVERSAL 8 Dec]* 74
Caldera Criticizes Retired Generals' Comments on AMX-30 Tanks *[EL NACIONAL 9 Dec]* 75

Guyana

STABROEK NEWS: Caribbean Nations 'Taken for a Ride' on Summit *[CANA]* 75

Cuba

Alarcon Criticizes Summit at Parlatino Meeting

Discusses Latin American Debt

FL0912183394 Havana Radio Progreso Network in Spanish 1200 GMT 9 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, and Deputy Lazaro Barredo, delegates to the 30th anniversary celebration of the Parlatino [Latin American Parliament] in Lima, Peru, returned to Cuba a few hours ago. Alarcon made the following statements exclusively for the "First Thing" program:

[Begin Alarcon recording] The Parlatino hosted a solemn ceremony in Lima to mark its 30th anniversary and also held an exchange in view of the upcoming so-called Summit of the Americas, to be held in Miami. (Humberto Cheri), the Parlatino's president and a senator in Venezuela, is going to participate in the summit. He should be arriving in Miami now. We do not know if he is going to participate in the summit officially or if he is going to participate in parallel activities, marginal to the summit. In any case, during the meeting of the governing body of the Parlatino he announced what he plans to say at the summit if he is allowed to address the participants, or outside of the summit; a pronouncement which I believe is very complete and broaches Latin America's main problems. The problem of foreign debt and its hindrance of the region's development possibilities was emphasized, as well as the need for finding an urgent solution. (Cheri) also recognizes that a large part of this debt was illigitimate because it was undertaken or accorded in ways that harmed the sovereignty of our countries. In addition, the amount of debt and interest has been inflated: it has been increased with the passing of time. Almost all Latin American countries are paying more than what they received and in many cases no one received anything—it had a very shady origin. The issue of poverty—what he calls the social debt—which is the Latin American countries' obligation to pay their debt with years and centuries of their peoples' misery and exploitation rather than the payment of the foreign debt.

During the meeting, several countries insisted that Cuba's exclusion from the so-called hemispheric summit was unacceptable. Not only the president of the Parlatino, but also all of those who spoke on the subject stressed this aspect and it will be one of the issues (Cheri) will broach in his speech.

During a press conference, the president of the Parlatino explained the purpose of his trip to Miami and several of the issues he is going to broach. Yesterday, (Cheri) again reiterated his ideas during a ceremony we held to honor the first secretary general of the Parlatino, who was a Peruvian parliamentarian. He was the first to take the initiative in Peru's parliament and later at a Latin American level to create the Parlatino. He became the Parlatino's first secretary general. He died a few months ago. During the ceremony in honor of (Andres Tausen), to whom I was referring, every speaker who took the floor, including (Cheri), reiterated the same argument. [end recording]

We thank Ricardo Alarcon for his presence and his words here for the "First Thing" program.

Questions 'Tangible Results' From Summit

FL0912193794 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Dec 94

[Interview with Ricardo Alarcon, president of the National Assembly of People's Government, on the Miami summit by Julio Gomez Usia, place and date not given; from the "National Radio News"—recorded]

[FBIS Translated Text] [Alarcon] No one knows what is going to come from that meeting nor what concrete and tangible results can be expected. Latin American countries do not meet with the U.S. government every year. I believe the last meeting took place 30 years ago. At that rate you can calculate that they meet three times a century with the U.S. president. One would think that after this meeting people will be asking many questions: Why did it take place? What results were achieved? and What accords were made? Right now, it is difficult to imagine what the solid results of this meeting will be. Apart from this, the host country is in an unsound situation, after the elections in which the U.S. government suffered a very important loss. This is also an example of how certain U.S. political factors, which are not precisely very favorable to normal relations with Latin America, have gained influence in that country. Therefore, there are many questions about what can happen with this meeting. No one has any idea of what results will come from this meeting.

[Gomez] We thank Ricardo Alarcon, president of the National Assembly of the People's Government, for giving us his opinion on the Miami summit, which has begun a few hours ago.

Views Summit, Rafter Riots

PA0912232794 Havana PRENSA LATINA in Spanish 2129 GMT 9 Dec 94

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 9 Dec (PL)—Ricardo Alarcon, president of the Cuban parliament, said today that Cuba has nothing to do with the Miami summit, because it already solved the problems to be discussed there a long time ago.

In an interview for PRENSA LATINA, Alarcon said that when the meeting called by Washington is over, people will want to know what specific solutions were found for

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their urgent needs. It will be precisely then that Cuba, the country absent from the summit, will stand out as a point of comparisson.

A long time ago, our country accomplished the things that today are presented as promises in education and health. In our country, our goal was not reducing extreme poverty but totally abolishing the exploitation and neglect of fellow human beings, he added.

Alarcon recalled that another hemispheric summit was held in 1967, from which Cuba was also excluded. At that meeting, he added, it was agreed to create a free trade zone from Alaska to Argentina, and the date established for that purpose was 1985.

That date passed, and no one even remembered the unfulfilled commitment. Now, in 1994, the same merchandise is being offered, under conditions that only a naive person would believe will bring benefits to Latin America, he stressed.

Alarcon said it will be necessary to wait and see if, by the year 2020, when those countries are scheduled to meet again, anyone will remember that in 1994 they repeated the same things they said in 1967 without showing any results to the world.

What has happened these years is that misery, poverty and backwardness have become more widespread in Latin America, the region's dependence on the United States has multiplied, and peoples' discontent and exasperation have grown due to the absence of dignified solutions.

Alarcon stressed the fact that the Miami summit is beginning on the anniversary of the Ayacucho battle and the triumph of the united struggle of South American peoples against Spanish domination, under the leadership of Liberator Simon Bolivar.

This meeting takes place almost two centuries later, and not in Ayacucho, which would have been a wonderful site, but in Miami. The new superpower, from which those countries must now seek independence, called the meeting, prepared the agenda, set the date, and decided the topics to be discussed.

Further on he said there is not a grain of Bolivarian emancipation ideology in all the rhetoric of the summit and that it is pathetic to see that, among the commitments allegedly to be signed, there are things that a truly emancipated nation like Cuba achieved years ago.

That is why Cuba belongs to the world of Ayacucho and is totally unrelated to the world of Miami, he asserted.

Referring to the Latin American integration processes, he said the concept of achieving integration based on a subregional plan is correct because anything else would facilitate the assimilation of Latin America by the United States, "and Ayacucho points to another path."

Answering a question about Argentine President Carlos Menem's anti-Cuban campaign, Alarcon said that this official has been touring countries and making irresponsible and rude statements about the island for quite some time now.

It would seem that he seeks to gain popularity by acting like a traveling minstrel, but he lacks the creativity and qualities necessary for this. Furthermore, he has just presented a book in Miami, which apparently means he also has literary aspirations, the Cuban official added.

Immediately thereafter, the head of the Cuban legislature defended his taste for Argentine literature, from Borges to the popular traveling minstrels, but with a preference for Martin Fierro, whom he described as an endless source of wisdom and art.

"I recall what Fierro said in one of his poems: A man loses many things that he sometimes finds again. But I want to teach you, and you must not forget, that he who loses his honor will never find it again," Alarcon quoted from memory.

In conclusion, he commented on the events in the Cuban detention camps in Panama, where the people held there clashed violently with U.S. soldiers. Alarcon said this should not stop the United States from complying with the bilateral migration agreement it signed.

All this, as well as the anti-Cuban demonstrations in Miami, are like an uproar caused by some people who had Cuban roots and were assimilated by the ultra-rightist sector of the United States They are trying to use the meeting in Miami to hold demonstrations to stop Washington from changing its migration policy regarding Cuba, he stated.

According to Alarcon, the protests of the true Latin American immigrants in the United States are centered on rejecting Proposition 187, which allows discrimination and persecution against them.

The U.S. Administration has reiterated its desire to comply with the migration agreement. To do otherwise would create conditions for the renewal of illegal migration and would show that it is unaware of the real migration situation in the country, he concluded.

Specialist Considers U.S. Initiative on Summit

FL0912210694 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Dec 94

[Interview with Luis Suarez Salazar, of the American Studies Center, by correspondent Juan Carlos Roque Garcia on the Summit of the Americas; date and place not given; from the "National Radio News"—recorded]

[FBIS Translated Text] [Roque] Could the United States have taken this initiative out of concern that events like the Ibero-American Summit might rob it of its hegemonism?

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[Suarez] I do not think the Clinton administration is looking at it that way. They are looking at how they can profit in terms of domestic policy. They are looking for a forum to present what some Clinton administration officials have called a new inter-American policy, the policy that they want inter-American relations to be governed by at the turn of the century.

[Roque] Could Latin American unity, as demonstrated at the Ibero-American Summit, affect these goals?

[Suarez] The Ibero-American movement is not as important as unity among the peoples—that is, the Ibero-American movement involves correlation among and exchange between governments. There have been many shortcomings within the Ibero-American movement when it came time to present things or solve problems affecting the Latin American and Caribbean peoples. The Ibero-American movement needs mechanisms to follow up on agreements established during the summits. The Ibero-American Summit needs to put the issues of the people within the framework of its agenda.

'Special Envoy' Questions Free Trade Accord

PA1112025694 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Dec 94

[Report by "special envoy" Jorge Luis Millares from Miami; from the "Evening Information Review" newscast]

[FBIS Translated Text] U.S. President Bill Clinton today announced the creation of a pact to define a hemispheric free trade zone. Without mentioning how he expects 500 million Latin American and Caribbean people to participate on equal terms with their northern neighbor, Clinton candidly announced that the continent's 850 million quote-unquote consumers will have access to a market worth millions and millions of dollars within a decade.

As he made the announcement, I wondered whether or not the President had included among these consumers the Latin American Indian population or the millions of Latin American and Caribbean people who live immersed in poverty in rural and urban areas. The President announced that the structure of this new market must be in place by the year 2005 and should be fully operational by 2015. The initiative will be built upon the premise of eliminating all multilateral and bilateral agreements currently in effect in the region. It is expected that the OAS and the IDB [Inter-American Development Bank] will play an important role in the effort.

Following the presidential announcement, the Council of Hemispheric Affairs, a nongovernmental organization based in Washington D.C., released a communique received here at the newsroom. The document warns that those same economic sectors that now dominate two thirds of Latin America's wealth will continue to benefit from the Clinton proposal.

On a different topic, Washington once again managed to sidestep away from discussing with the Caribbean nations the issue of the banana industry. Banana production covers almost 50 percent of all exports in Dominica, Santa Lucia, Saint Vincent, and Grenada, and is a significant export item for Jamaica and Belize. The Caribbean Common Market nations came to the Summit of the Americas hoping to voice their complaints about the aggressive attitude of several major U.S. banana companies. Chiquita Brands International and The Hawaiian [as heard] refuse to hear of the preferential status that Caribbean bananas enjoy in the EU markets. U.S. Special Trade Representative Mickey Kantor saw it fit to advise the Caribbean leaders that a special group would be tasked with solving the dispute in the future. This issue, which surfaces amid the summit meetings, is an example that illustrates how there is no such thing as a small economy, social imbalance, or justice wherever business is the main issue. This is surely a clear sign for the beginning of the newly announced hemispheric free trade pact.

Summit Expected To Yield 'Little Substance'

FL1012033194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Dec 94

[Report by Miami correspondent Elisabel Noriega; from the "NTV" newscast]

[FBIS Translated Text] The Summit of the Americas opened today in the controversial city of Miami, where 33 heads of state, their delegations, and more than 5,000 journalists are following an agenda set by Washington so that everything goes according to their plan. U.S. President William Clinton gave his first speech at 1200 to reiterate the model that Latin America should follow, a continent where the United States has hatched interventions and coup d'etats for over 150 years. The disparate interchange [intercambio desigual] also dulls the shine they wanted to give to this summit: The North increased exports to Latin America and the Caribbean from $30 billion to $79 billion between 1985 and 1993, while the region had to put up with protectionist barriers which slowed access to the North American market:

[Begin Clinton recording, in English with simultaneous translation into Spanish] By the year 2005, if the current trends continue, our country will sell more to Latin America than Western Europe or to Japan. That's why we're here. That's an investment that's worthwhile. [end recording]

Press sources say that a vital issue like the projection of a hemispheric free trade zone are included in the summit's agenda, but without precise dates or time periods for it's implementation. Even while the government leaders were listening to the U.S. President today, they felt the pressure to relieve the crises in their respective countries:

[Begin recording] [First unidentified speaker] Perhaps it will give the opportunity for the talk on social development to become a reality.

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[Second unidentified speaker] We know that there will be no joint actions on macroprograms; in the general sense, one cannot say that the problem of poverty will be confronted. But there is always hope. [end recording]

In spite of the fact that this is the Summit of the Americas, the agenda does not allow the continent the possibility to present a common position. According to the program, the presidents will be together only in front of the cameras and at banquets. To discuss their economic, social, and developmental problems, they will file in tomorrow, one after the other, for 10- to 15-minute bilateral meetings with President Clinton. There are those who say that this summit, like others that failed, will be a summit of much ceremony and little substance, which has been the standard U.S. political approach toward the region from the time of the Monroe Doctrine to the present.

Opposition to Cuban Exclusion From Summit Reported

PA1012144394 Havana Radio Havana Cuba in Spanish 1300 GMT 10 Dec 94

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Political leaders, personalities, and popular sectors from various areas around the world have expressed their solidarity with Cuba and are opposing the U.S. decision to exclude the island from the so-called hemispheric summit, which began Friday [9 December] in Miami.

In Quito, more than 3,000 people gathered outside the U.S. Embassy in the Ecuadoran capital to express their support for Cuba. They chanted slogans denouncing the summit and U.S. President William Clinton.

In Miami itself, moderate Cuban immigrant sectors condemned the economic blockade against Cuba. Meanwhile, Mexican President Zedillo and Colombian President Samper reiterated their demand that the anti-Cuban sanctions be lifted.

Meanwhile, the Solidarity With Cuba Coordinating Board in Spain's autonomous Galicia region said the Caribbean island's exclusion from the Miami summit is yet another expression of Washington's hostile policy toward the Cuban people.

In Lima, the Peruvian capital, the Board of Directors of the Latin American Parliament asked its president, Humberto Celli, to present a protest at the hemispheric summit over Cuba's exclusion from the U.S.-sponsored meeting.

In Havana, recently invested Cuban Cardinal Jaime Ortega condemned Cuba's exclusion from the Summit of the Americas, which has opened in Miami, and he pleaded for a dialogue between the United States and the Caribbean island to resolve their differences. The archbishop of Havana and president of the Cuban Episcopal Conference returned to Cuba after being invested as cardinal at the Vatican by Pope John Paul II on 26 November.

Cardinal Ortega was met at Jose Marti International Airport by Caridad Diego, head of the Religious Affairs Office of the Communist Party of Cuba's Central Committee, as well as by representatives of the Catholic Church hierarchy and Vatican Embassy representatives.

Caribbean Leaders Oppose U.S. Blockade Against Cuba

PA1112014494 Havana PRENSA LATINA in Spanish 0025 GMT 11 Dec 94

[FBIS Translated Excerpt] Miami, 10 Dec (PL)—Caribbean leaders expressed their opposition to the U.S. blockade against Cuba wilthin the framework of the ongoing Summit of the Americas. The summit's participants agreed today, to launch an ambitious continental free zone project and to meet again in 1996.

At the margin of the summit's first work session, the Caribbean Common Market (Caricom) highlighted, in a joint declaration, its desire that Cuba occupy the place it rightfully holds in the hemispheric family and criticized the U.S. decision to exclude it from the forum and to maintain its economic blockade against the island.

Actually, the Cuban issue, although it was excluded, as was Cuba, from the Miami summit, has been present at the conclave.

Canada also expressed its willingness to work with other countries in the continent to reinstate Cuba in the Inter-American system. [passage omitted]

Signing of Declaration at Summit Reported

PA1112193094 Havana PRENSA LATINA in Spanish 1738 GMT 11 Dec 94

[FBIS Translated Text] Miami, 11 Dec (PL)—The 34 dignitaries attending the Summit of the Americas closed the event by signing a declaration of principles and an action plan that defines an ambitious commercial and social project for the continent.

The document included the so-called agreement for development and prosperity, which sets the year 2005 for the conclusion of a Free Trade Agreement of the Americas (FTAA). This point perhaps generated the most expectation.

The signatories commit themselves in the declaration to promote prosperity, democracy, free trade, and sustainable development in the Western Hemisphere.

Amid the expectations, many skeptics, including some of those attending, believe time will be the best judge of what was agreed upon in Miami. They hope the commitments will not vanish into thin air, as occurred with a

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similar plan adopted in the last hemispheric summit that was held at another ocean resort, Punta del Este, Uruguay, in 1967.

Uruguayan President Luis Alberto Lacalle said: I hope my son will not have to meet here 27 years from now to discuss what we discussed here in Miami.

The declaration of principles also includes the decision of the signatory countries to fight political corruption, organized crime, and narcotrafficking, and to improve the judicial systems.

Those attending the Miami summit pledged in the social chapter to facilitate the people's access to education, health, to fight poverty, illiteracy, and to promote economic growth, all without discriminating against race, sex, origin, or religious creed.

They equally pledged to look after the most vulnerable groups and to address such problems as those afflicting women, Indian people, the physically handicapped and mentally retarded, children, and AIDS patients.

One of the most thorny problems, immigration, was not included, however. The topic was a delicate one for the host, Bill Clinton, in view of the recent approval of Proposition 187 in California, which has been the object of the most acute criticism by leaders of the continent although the White House has rejected it.

The action plan outlines and establishes recommendations and goals for the fulfillment of the contents of the declaration.

The 34 dignitaries agreed to meet again in two years, while their trade ministers will meet in January and June of the coming year and in March 1996 in order to coordinate preparations for the negotiations on the Free Trade Agreement of the Americas.

Article on Miami Summit, Clinton, Monroe Doctrine

PA1112203294 Havana PRENSA LATINA in Spanish 1706 GMT 11 Dec 94

[Article by Dihur G. Tchanlesso: "How Much is the Miami Summit Worth for Clinton?"]

[FBIS Translated Text] It would be premature to assess the political benefits the Summit of the Americas will have for President Bill Clinton, the promoter and host of the meeting that ended today in Miami, a city the United States has given the role of doorkeeper for the Western Hemisphere.

The Straits of Florida, which U.S. official circles describe as the Caribbean zone and the bridgehead toward the South American neighbors, is an area of great importance for Clinton's reelection in 1996 according to his own advisers.

This southeastern U.S. state has become the area with the largest population of Hispanics after California, predominantly made up of immigrants of Cuban origin, approximately 600,000, in addition to groups from Central America, Mexico, Colombia, and Haiti.

Florida represents 25 votes in the final vote count of the Electoral College, which consists of 536 delegates who finally chose the president-elect who will occupy the White House for the next four years. Clinton is hoping to displace the Republicans in that state.

The goal seems like an illusion at first sight. The spotlight has traditionally been on a local politician of the Republican Party, which always wins the legislative and presidential elections.

The generalized, historical trend has been, however, that the Democratic Party usually controls the governorship of the state of Florida. A current example of this is Lawton Chiles, one of the few survivors among candidates supporting Clinton, most of whom were defeated in the recent legislative and regional elections five weeks ago.

With the exception of Florida, the man sitting in the Oval Office cannot be certain he will obtain an electoral victory in seven other industrialized and conservative southern and midwestern states where his liberal policies are criticized.

Since the days of his presidential campaign, Clinton has placed his hopes in Florida and has openly flirted with the Cuban-American National Foundation and its leader, Jorge Mas Canosa, who is known for his questionable fortune and shady handling of congressional lobbying according to the U.S. press.

The organization of the hemispheric summit in Miami, one of the cities with the highest crime rates, is part of a strategy to extend the Democratic mandate four more years.

It is also consonant with the urgent need to create what is now being called the Free Trade Agreement of the Americas (FTAA), a global strategy to guarantee the hegemony of the North over the South according to the Monroe Doctrine.

The main principles of that expansionist concept have been retaken in two Santa Fe documents, in which North America reminds its southern neighbors that nothing has changed in its plans to maintain control of its surroundings.

"The Monroe Doctrine, the cornerstone of U.S. policy toward Latin America, is based on the recognition of the close relationship between the struggle for power between the old continent (Europe) and the new continent" (The Americas), the Santa Fe I document reads.

The three basic principles of the Monroe Doctrine are based on that philosophy enunciated in the early 1980's and justified by the need to "control communism" in this hemisphere:

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1) No further European colonization in the new world.

2) U.S. abstention from meddling in European political affairs.

3) U.S. opposition to any European intervention in the governments of the Western Hemisphere.

In that manner, divisory lines were drawn for the umpteenth time as a warning to the former European metropolises and their attempts to influence in the destiny of their former colonies. Those guidelines were included in military cooperation agreements, security pacts, and economic and commercial initiatives that have had no impact in Latin America.

Santa Fe II was issued at the beginning of this decade leading us to the end of the century. The region south of the Rio Grande is still waiting, however, for the "promised manna" from the North.

Latin American countries have seen the Alliance for Progress, the Caribbean Basin Initiative, and the Initiative for the Americas pass before their eyes without any changes for the Indians and mestizos, who today hear the same promises of high rhetoric contents.

As yesterday, the United States is telling its guests in Miami today it will use regional institutions, particularly the OAS, to make the FTAA germinate and flourish by the year 2005 as an expansion of NAFTA, which it signed with Mexico and Canada and which Chile will join soon.

This commercial bloc, which supposedly will be hegemonic, so far excludes and segregates Cuba, whose absence from the Miami forum caused the indignation and protest of the Caribbean English-speaking countries (Caricom) [Caribbean Common Market], Mexico, and Canada.

Who will benefit from the FTAA in the long run? First, Washington, because based on the stair-climbing theory, whomever reaches the top can sigh with relief.

The powerful industrial machinery of the North has been on the top for a long time. Meanwhile, the South must climb the stairs and be satisfied with the crumbs of the commercial exchange. Furthermore, there is too much poverty.

Commentary Views Cuban Achievement of Summit Demands

FL1212011194 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Dec 94

["Our Opinion" commentary by Eduardo Dimas; from the "Doing Radio" program]

[FBIS Translated Text] There are many who say that comparisons are not good. I am of those who says that comparisons are good and that men, one way or another, establish criteria about the issues surrounding their lives through comparisons.

While many of us complain, during this acute stage through which we are living, about the shortages and difficulties of the special period, we do so because in the past we had a superior standard of living. Nutrition was guaranteed for everyone, unrelated to our salaries. Our health care system, for example, was among the best in the world, and despite the shortages of medicines, it maintains that status. Our education system continues to operate, despite all this, and all our students can reach high school. The universities, now a bit more selective, continue to graduate youths with a higher level of knowledge. Social security, despite the deficit, has not denied any benefits to our retired workers or aid to anyone in need of it.

These are truths that some would prefer not to accept, but they are truths that no one, even the greatest complainers, can deny. Nor can we deny that there are many things that need improvement.

I mention this because just yesterday the ASSOCIATED PRESS [AP] reported on some aspects of the action plan that will be approved in the Summit of the Americas and that reflects Latin America's true situation, a reality known by few.

That report, after talking about the strengthening of democracy in Latin America and about human rights—from the U.S. point of view, of course—points out deficiencies in the areas of health care, education, and women's rights. I truly believe that we would have had nothing to do in that so-called Summit of the Americas because for some time now we ourselves have resolved the demands that are being made by Latin America and United States.

As I mentioned earlier, the AP report addresses the strengthening of democracy, human rights, corruption, illegal drugs, and then it discusses education. In that respect, it points out that one of Latin America's aspirations is to reach 100-percent student completion of the elementary school level, and 75-percent completion of the high school level by the year 2010. This is something that we accomplished back in the 70's.

As for health care, the summit's plan of action proposes programs to secure nondiscriminatory access to basic services, including health programs and preventative care, which we had accomplished toward the end of the 60's.

As far as women's rights is concerned, the program proposes—and I quote—to begin appropriate measures to face and reduce violence against women, to improve their capacity to acquire non- traditional jobs, promote policies, and make sure that women enjoy the protection of legal and civil rights. This is also something that our women have had for many years.

I am one of those who say that we must produce more food and improve our democratic methods. But this is one of the reasons we were not invited to the Summit of

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the Americas. The fact is that in Cuba, with or without a special period, fundamental rights are respected and honored more than in any other country in Latin America because many of the demands made by the subcontinent for the next century have already been accomplished in Cuba.

Many times I have said that in Latin America, hundreds of millions of people are born, live, and die in an acute special period without hopes of improving their situation. I know that is hard to believe because our situation is so difficult and because the empire's propaganda makes people believe the opposite. But now the demands of the Latin American presidents indicate that we are telling the truth.

So to remedy what we have already remedied, the Latin American governments are asking the United States for assistance. Does that not taste of bitter humiliation, helplessness, and lack of faith in the possibilities of our America, as Jose Marti called it.

That is why I say that comparisons are good, especially when they contain high doses of human and national dignity for us. Undoubtedly, the best thing was for us not to be invited to that summit because our example would not have been good for the interests of the United States or for some of the Latin American governments.

Commentator Questions Summit Talks on Tourism

FL0912232794 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Dec 94

[Commentary by Susana Tesoro; from the "National Radio News"]

[FBIS Translated Text] Tourism is one of the topics on the Miami summit agenda. Why? They may want to consolidate the flow of tourists into the Caribbean, which has been the area of greatest growth in the last few years with the European and U.S. tourism industries slowly shifting to this area. They may simply want to center the growing Caribbean tourism industry around one city, like Miami. While Miami may be cosmopolitan and have a Spanish-speaking element, we cannot ignore the fact that it is in the United States.

What kind of tourism are they talking about? Are they talking about health tourism, ecological tourism, or economic tourism for the elderly? Will they discuss the kind of tourism that will help expand man's cultural horizons, as our kind of tourism hopes to do? I do not think so. They will talk about the kind of tourism that existed in Cuba before 1959, with casinos, games, drugs, and prostitution as the main attractions.

There is an excellent example of this in the United States: Las Vegas, an enormous tourist center situated right in the heart of the United States. Some U.S. films tell us what we already knew. When attempts to turn Cuba into the great tourism backyard of the United States failed, the mafia had to change its plans and transfer its operation to Las Vegas. Is this the kind of tourism that the United States wants to present to Latin America and the Caribbean?

Even though Cuba's seat will remain empty, everyone there will be thinking about Cuba's enormous and thriving tourism potential when discussing the topic of tourism. This would be the kind of tourism that is not stained by the past and that many humble people from all parts of the world prefer, including U.S. citizens who are prohibited from traveling to Cuba to get to know our country.

Commentary Decries Menem's Role at Miami Summit

PA1112030194 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Dec 94

["Our America" commentary read by Amalia Sanmartino; from the "Evening Information Review" newscast]

[FBIS Translated Text] It is very difficult to determine what was the true objective of Argentine President Carlos Menem, when he packed up and dashed off to the confused city of Miami to attend the Summit of the Americas.

If he attempted to become the center of attention for his strange attitude and statements, he should be satisfied. However, on some ocassions, someone may become the center of attention for becoming the exact opposite of how he wishes to appear. The question is whether one realizes that, and this is not the case.

As opposed to his colleagues, who are more concerned about the socioeconomic situation of their countries and are, perhaps, ready to find a solution with the U.S. President in his own turf, the Argentine president seems not to have found a better audience for his democracy proposals than the much-discredited Cuban community abroad.

The Cubans with whom the Argentine president has met in the past two days are not those who want rapprochement and political dialogue to eliminate differences with their country of origin, but are those who wish to see the fatherland they once left behind sink into the ocean.

In that context, the Argentine president has been praised and received homages. Logically, he found the best audience to make his already-legendary reflections on democracy and what other nations should do about it. Without taking into account the meaning of the word interference, the head of the Argentine Government, aside from not heeding U.S. recommendations to tone down his discourse, decided to become the leader of the much-worn democracy that in Latin America lets children starve to death and allows Argentine retirees to [words indistinct].

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Although the issue of Cuba does not appear on the summit's agenda, the Argentine president stated he would present it, even if he has to fight alone for freedom and democracy. The path to push Cuba toward democracy is already known, Menem said: tighten economic measures against the island, unjust sanctions Cuba has withstood for over 30 years. A curious measure proposed by a man who said he also owes respect and consideration to the residents [words indistinct] limitless desire to appear as a hero, President Menem attended in Miami the presentation of a book written by [words indistinct] Carlos Menem, "The Man Who Has Changed His Country."

Regrettably, [words indistinct] that book does not speak about democracy and change that destroyed state-owned companies, the ensuing privatizations that have caused the highest unemployment rate ever in Argentina, the hospitals lacking supplies, and the increase of poverty [words indistinct]

While the Argentine president advises others on how to build democracy, in Buenos Aires and other Argentine provinces, massive strikes and acts of protest were staged to protest the government's neoliberal policy. That should be [words indistinct] as well as relations with the United States, a country with which Argentina has an old litigation over the medicine patents and other [word indistinct].

It is regrettable that when the president returns to the country, he will be unable to tell his fellow citizens that during the summit, he worked for the development and improvement of the situation in Argentina. [words indistinct] spent precious time speaking about the issues of others and meeting with those fighting for a lost cause.

'Blah, Blah, Blah' of 'Cuba-Less Summit' Rejected

FL1012034194 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Dec 94

["Reflections" commentary by Fernando Davalos; from the "Exclusive" program]

[FBIS Translated Text] I would like to title my commentary: Blah, Blah, Blah. The commentary focuses on developments at the Cuba-less summit that the United States organized and that is being held in Miami right now. It is simple Creole irony. Unfortunately, this summit is much more than the rhetoric of blah, blah, blah.

Perhaps, Fidel's absence is what satisfies the counterrevolutionaries most; perhaps, that is enough for them; perhaps, it satisfies the much desired vendetta for the four previous Ibero-American hemispheric summits in which, with great respect, the United States was not invited. It is not only a matter of putting Miami together with Guadalajara, Bahia, Madrid, or Cartagena de Indias. It is something worse, with worse intentions. It is not only a matter of giving the Cuban emigres in Miami who oppose the revolution a chance to stage their classic tantrum in front of the dignitaries of the continent, because their position is well known and another decimal point, mathematically speaking, would not alter the terms of the problem.

The bird can be identified by his shit [se conoce al pajaro por la cagada]. The entire continent is well aware of the explosion of a Cuban airliner while in flight and of other grave sabotages and attacks on Cuba. They are well aware of the ideas of these people, who have made a prosperous industry of opposition on Cuba. It is not necessary for them to chant against Cuba when for 30 years they have been applauding and encouraging their U.S. Governments to intensify the blockade of Cuba.

No, the very Cuba-less summit of Miami has a much more strategic and dark purpose. That is why Fidel was not invited, so that he could not rub salt into the wound. Their excuse for Cuba not being invited because it is not democratic is totally false; this in a region where voters do not give a damn about elections and where political campaigns, in most cases, only serve for illegal enrichment. Who is going to believe the story about democracy? Not even the U.S. citizens or anyone else who attends the summit in Miami or enjoys listening to Clinton's rhetoric on TV believes it.

No, the [word indistinct] Fidel with his cutting words would call a spade a spade and that is not beneficial to anyone starting with the very organizers of the Cuba-less summit of Miami which began today. That is why Cuba is not there. Let us not kick the issue around anymore. Cuba's presence is inconvenient; it is not needed in Miami. Much less is Fidel's presence necessary at that so-called summit.

The fact is that in Miami, in addition to the street demonstrations against Cuba, they intend to reach a [words indistinct] between the United States and what they consider their incontestable backyard. Why not put it as President Monroe said it in 1823: America is for the Americans. But they will beat around the bush so that the [words indistinct]. Eloquent evocations on the globalization of the world economy and the strengthening of cordial relations between nations will be made, but they will never be able to respond because sharks do not make pacts with sardines.

U.S. Officials Cited on Drowned Rafters

PA1112014394 Havana Radio Havana Cuba in Spanish 0012 GMT 11 Dec 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] U.S. Southern Command sources have reported that the bodies of two Cubans were found in Panama Canal waters. The Cubans presumably drowned while trying to escape from the illegal Cuban refugee camps, located on the waterway banks.

Apparently, the Cubans found dead escaped from the rafters camps between Wednesday [7 December] and

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Thursday, when violent disturbances were staged at the camps. The disturbances resulted in the wounding of 249 people.

In a news conference, Southern Command spokesperson Melanie Reeder stated that security measures will be reinforced in the areas housing the illegal Cuban migrants. The U.S. official added a force ot 2,000 soldiers will be deployed to patrol these areas.

She further said that of the more than 1,000 Cubans who escaped from the camps during Wednesday and Thursday's incidents, 31 still remain at large.

Meanwhile, Barry McCaffrey, head of U.S. Southern Command, warned that the use of birdshot, tear gas, and other measures have been authorized to prevent new disturbances in the camps of the so-called Cuban rafters.

This Saturday, Panama's Human Rights Committee reported before the United Nations that the United States is violating the citizens' rights of the rafters, who remain confined in the Canal area under U.S. military control.

Correspondent Discusses Rafter Riots in Panama

FL0912152694 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Dec 94

[Telephone interview with Geraldo Berroa, correspondent for RPC Radio, in Panama City by Maria Elena Alonso, in Havana City; from the "Doing Radio" program—live]

[FBIS Translated Text] [Alonso] Good Morning, Geraldo.

[Berroa] Good morning.

[Alonso] Geraldo, we have received information in Havana City that I am going to read to you: Today, approximately 1,000 Cubans escaped from a refugee camp in Panama. The day before there had been riots and 254 U.S. military personnel were injured, according to U.S. authorities. This information's dateline is 8 December and it has been published in today's press. We would like to know what you know about these incidents.

[Berroa] Yesterday's refugee incidents took place due to their lack of hope of traveling to other countries, specifically the United States. It is a way of calling attention. This has been the worst incident since the arrival of the Cuban rafters to Panama. The disturbance took place around 0845 in the morning, when a group of Cuban rafters made a hole in the wire security fencing and began a riot which gave way to serious attacks on the U.S. soldiers who were guarding the area. This event followed another that had taken place the day before—Wednesday. Approximately 300 Cubans from camp number one ....[pauses] Here in Panama there are four camps which hold 8,665 Cuban rafters, if I remember correctly, and each camp is assigned a number from one to four. Yesterday's incident took place in camp number one. On Wednesday [7 December], approximately 300 Cubans threw rocks at the U.S. soldiers, broke windows, and destroyed 12 military vehicles and one private truck which transports food to the Cuban rafters. These incidents left 40 U.S. soldiers and one Cuban injured. Yesterday, approximately 120 U.S. soldiers—that is the figure given here in Panama—and three Cuban rafters were injured. Approximately 1,000 Cuban rafters escaped from the same camp and entered the jungle, which is next to the Panama Canal and the refugee camps.

[Alonso] Geraldo, have there been any deaths?

[Berroa] No, to date there have been no deaths. However, there are several injured people who are in hospitals. Several U.S. soldiers, who were seriously injured, were taken to the emergency room of the U.S. (Cocas) Hospital in Panama. No, there are no deaths, to date.

[Alonso] I would like to ask: how has the press in Panama reflected these incidents?

[Berroa] The press in Panama ....[pauses] here in RCP Radio we are holding an interview with one the persons responsible for conversations with the Cubans, Mr. (A. P. Castro). He has stated that this is not the last time that the public will hear of the Cuban refugees. He has also stated that there will be more incidents of this type. What the Cubans are doing is calling attention to themselves because they have lost all hope of traveling to other countries. They have no idea what they are going to do or what is going to happen to them. Even the authorities have no provisions. The Cubans' future is uncertain. This is what is happening and this is what has driven the Cuban rafters to riot.

[Alonso] I am speaking to Geraldo Berroa, a colleague from RPC Radio in Panama, with reference to the riots that the Cubans have staged, only hours ago, in one of the refugee camps in Panama. Many thanks Geraldo.

Injuries in Riots Reported

PA0912145194 Havana PRENSA LATINA in Spanish 1259 GMT 9 Dec 94

[FBIS Translated Text] Panama City, 9 Dec (PL)—About 1,000 U.S. soldiers are holding in custody illegal Cuban immigrants at two camps in the Panama Canal Zone following disturbances that caused hundreds of injuries to civilian and military personnel, massive escapes, and the destruction of vehicles.

Yesterday for the second day in a row, in camps No. 1 and No. 2 of the existing four camps, which house a total of 8,562 migrants, there were clashes between the Cubans and U.S. troops. The latter used tear gas and batons.

Yesterday's incidents began after it was reported that about 120 refugees would travel to Spain and the United States.

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The clashes left 236 soldiers and 17 migrants injured. Sixteen U.S. soldiers were admitted to Gorgas Hospital, which attends to the U.S. military.

More than a dozen vehicles were destroyed, along with fences that surround the camps, which allowed the escape of about 1,000 detainees, although most returned voluntarily.

Nevertheless, 30 illegal Cuban immigrants swam across the Canal and were detained by the Panamanian police on the east bank of the waterway and held incommunicado in an area known as Las Cumbres, before they were returned to the camps.

Spokesmen for the U.S. Southern Command, in charge of the so- called Operation Safe Haven, said last night that calm had returned. Increased military presence was noticeable, however, including helicopters that overflew the area, located in a semi-jungle region 10 km west of this capital.

Jose Luis Sosa, executive secretary for the Council for State Security and National Defense Office, warned about the tense atmosphere in the camps and said, "No one can guarantee that this situation will not repeat itself."

Foreign Minister Meets Tunisian, Palestinian Counterparts

FL1012030894 Havana Radio Reloj Network in Spanish 2032 GMT 9 Dec 94

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina continued his official visit to Tunis today, after meeting Tunisian Foreign Minister Habib Ben Yahya and Economic Minister Sadok Rabah on the evening of 9 December. Ben Yahya and Robaina reviewed the international situation and the current political situation in the geographical areas surrounding their respective nations. Ben Yahya praised Cuban foreign policy successes, illustrating his point by citing the recent UN resolution condemning the U.S. blockade of Cuba. Ben Yahya also said that the migration accord reached this year between Havana and Washington is another victory for Cuba and reaffirmed Tunis' solidarity with Cuba and it's struggle.

[Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0100 GMT on 10 December add during the regularly scheduled "NTV" newscast that Robaina also met "Palestinian Foreign Minister" Faruq Qaddumi in Tunis]

Arrives in Libya

FL1012185794 Havana Radio Progreso Network in Spanish 1100 GMT 10 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] On 10 December, Cuban Foreign Minister Roberto Robaina arrived in Libya on an official visit, as part of his trip to northern Africa and the Middle East to describe Cuba's reality to his hosts. Robaina had previously been in Tunisia where he met with Tunisian President Zine El Abidine Ben Ali and with other high-ranking officials. Robaina transmitted a message of salutation and friendship from Commander in Chief Fidel Castro. Ben Ali sent warm greetings to Fidel and highlighted his solidarity with the Cuban people's struggle for the right to live in peace.

Begins Official Visit

PA1012192294 Havana PRENSA LATINA in Spanish 1529 GMT 10 Dec 94

[FBIS Translated Text] Tripoli, 10 Dec (PL)—Cuban Foreign Minister Roberto Robaina today began an official visit to Libya, where he will meet with President Mu'ammar al-Qadhdhafi [title as received] and other ranking officials in that North African state.

Robaina arrived in Tripoli en route from Tunis. Libya is the second stop of a tour of the Maghreb and the Levant. Robaina has already visited Algeria and will continue onto Jordan, Syria, Egypt, and Iran.

Yesterday in Tunis, where he spent two days, the Cuban foreign minister met with President Ben Ali, to whom he delivered a message of greetings and friendsip from Cuban President Fidel Castro.

Meanwhile, Ben Ali reciprocated by warmly welcoming the message from the top Cuban leader and by underscoring his solidarity with Cuba's struggle for its right to live in peace.

During dialogue with his visitor, the Tunisian head of state also expressed admiration for the manner in which Cuba has resisted the blockade imposed by the United States and the disappearance of the socialist bloc.

During his official 48-hour visit to Algeria, Robaina met with President Liamine Zeroual, to whom he presented a message from Fidel Castro, which Zeroual warmly welcomed.

Zeroual also expressed respect for the struggle of resistance the Caribbean island is waging against the U.S. blockade; he reaffirmed Algeria's traditional solidarity and support for Cuba's cause; and he spoke in favor of increasing trade and mutual cooperation.

During the first two stops on his tour, Robaina met with his Algerian and Tunisian counterparts, as well as with other government officials from those nations.

Meets With al-Qadhdhafi

FL1212025694 Havana Radio Reloj Network in Spanish 2030 GMT 11 Dec 94

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina met with Libyan leader Mu'ammar al-Qadhdhafi, who expressed his position of solidarity with

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Cuba and its Revolution. During the meeting, al-Qadhdhafi expressed interest in the Cuban situation and in Commander in Chief Fidel Castro. He said that Libya is interested in stimulating greater development of bilateral relations: specifically, economic and trade relations. The meeting was held at al-Qadhdhafi's residence, very close to the home bombed by U.S. aircraft years ago.

Robaina arrived in Libya after visiting Tunisia where he met with President Ben Ali and with, among others, the ministers of Finance, International Cooperation and Investment, Public Health, and Foreign Affairs.

Talks Begin on Judicial Accord With Uruguay

FL0612181894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Dec 94

[From the "NTV" newscast]

[FBIS Translated Text] Talks began today between Cuba and Uruguay on the signing of a judicial accord. Justice Minister Dr. Carlos Amat represented Cuba and Dr. Augusto Duran, secretary of the presidency, [name and title as heard] represented Uruguay, at the meeting. The judicial cooperation accord includes investigation and trial of criminal and penal-related cases. The cooperation will include documentary notification or testimonies of people and expert witnesses; examination of objects and places; and the location or identification of people. It will also include the notification of witnesses or experts to voluntarily attend cases held by the state—which would so petition—or the transportion of defendants to act as witnesses or any other purpose indicated in the petition.

Frequently, in the [words indistinct] criminal which manifest themselves through multi-national criminal activity. In general, the proof related to the crime is collected in various states. Once this accord between Cuba and Uruguay is signed, both countries will increase their international cooperation, thus benefiting mankind.

Fidel Castro Praises Participative Democracy Workshop

FL0912191594 Havana Radio Reloj Network in Spanish 1502 GMT 9 Dec 94

[FBIS Translated Text] Cuban President Fidel Castro congratulated the organizers of the workshop on participative democracy for their seriousness and efforts. The message was taken to participants and their families by Rolando Alfonso Borges, head of the Central Committee's ideological department, at the conclusion of the three-day event. During the closing session, Amalio Fiallo, president of the Center for the Development of Man, in Venezuela, and Marta More, member of the same organization, gave a lecture on the family's role in society, in the community, and as part of the system of participative democracy. The participants concurred that the participative democracy should be based on caring, social justice, national sovereignty, emancipation, and most of all on dignifying human beings.

Havana Archbishop Cited on Appointment to Cardinal

PA1112183594 Havana PRENSA LATINA in Spanish 0235 GMT 10 Dec 94

[FBIS Translated Text] Havana, 9 Dec (PL)—Jaime Ortega Alamino, the Havana archbishop and president of the Cuban Bishops Conference, said today his appointment to cardinal by Pope John Paul II does not imply any changes in his evangelical mission.

Ortega said in a statement to the media upon his arrival his appointment on 26 November is a "sign of the pope's appreciation for the Cuban church, but he has never viewed the church as being separate from the Cubans," he said.

This appointment in itself represents the reconciliation of patriotic and Christian beliefs on the whole and the sole reality of the professed Catholic faith, be it on the part of the bishops or the laymen who work in Cuba.

Concerning the pope's visit to Cuba, Ortega said that there is nothing new, that "it is an invitation made many years ago by the Cuban Bishops Conference and the government."

This invitation will always stand, he said, explaining "this visit will be possible some day, because the circumstances will allow it."

Caridad Diego, head of the Religious Affairs Office of the Communist Party of Cuba, and members of the Catholic hierarchy and Papal Nunciature greeted the Cuban cardinal at the international airport. A group of followers greeted Ortega later.

According to Ortega, it is appropriate that the pope has decided to honor the Latin American church with the appointment of six cardinals due to its role and number of parishioners. In that regard, he said the region's congregation has substantial weight in the universal institution due to the number of Catholics and all the religious trends, views, church developments, and campaigns for justice to help the neediest people.

Asked about Cuba's exclusion from the Miami summit, Ortega said there is another forum, the Ibero-American forum, which includes Cuba, and "the issue should not be about exclusions but, rather, about meetings and dialogues in the future, when the history of the world is viewed more openly."

On what he called a possible conflict between Cuba and the United States, he said we have often stated these differences should not be settled through exclusions, clashes, fights or mutual attacks but, rather, through a true climate of rapprochement and dialogue.

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A mass is scheduled for next Sunday [18 December] in the Havana cathedral as one of the activities planned by the Cuban church to honor Ortega, the first Cuban cardinal appointed in the past 31 years in addition to another five in Latin America.

Prenssa Latina has learned that Cardinal Nicolas de Jesus Lopez Rodriguez, Santo Domingo archbishop and president of the Latin American Bishops Council, and Cardinal Bernard Law, archbishop of Boston (USA), will come to Cuba soon to participate in the activities honoring Ortega.

Fidel Castro Praises Filmmaker, Backs Movie Industry

FL0912124294 Havana Cuba Vision Network in Spanish 0100 GMT 9 Dec 94

[Remarks by President Fidel Castro, filmmaker Alfredo Guevara, and unidentified correspondents following an awards ceremony at the Higher Arts Institute, in Havana, on 7 December—recorded]

[FBIS Translated Excerpt] [passage omitted] [Correspondent] Commander, I have heard and read many of Alfredo's opinions about you. Do you have any opinion of Alfredo?

[Castro] Only what he said there. [laughter]

You are going to make me blush: I do not deserve such praise. Those words were a product of his generosity. I have demonstrated my feelings for Alfredo through my actions in my relations with him from the beginning, since we first met in college. We have always been together, right up to today, when I experienced that beautiful moment when you presented him with the honorary degree. Alfredo is, in one word, an extraordinary man. What he said today truly moved me. I have heard him talk many times but never with the sublime eloquence of today. Ah! I did not know you were standing there. I just saw you. [laughter]

[Correspondent] Commander, Alfredo has done much for the Cuban movie industry. Could your presence here and your ties with Guevara be seen as an expression of support at such a hard time for the Cuban movie industry?

[Castro] Why are times so hard? Because you need equipment, supplies, directors, and scriptwriters? What do you need? Why is this such a hard period for the Cuban movie industry?

[Correspondent] No money.

[Correspondent] There is a crisis.

[Castro] Well, money can be made through good art. Some of the movies [words indistinct] not saying it so that they ask you to lend them things.

[Guevara] No, no. I have said all along that our attitude is that of challenging the special period. We must help end it. Our small field is not decisive for the country, but we can help to end the special period by accruing successes.

[Castro] It would be great if the movie industry could become self-financed. Many centers and workplaces are doing this. I visited a hospital yesterday that supports itself with hard currency with only 20 beds. They have accrued $1.5 million this year. Of course, not all the hospital costs are covered, but the hard currency needed to buy medicine, supplies, and clothing is. This is what we are trying to make everyone do. The movie industry can become self-financed. However, if this is impossible, it will not be abandoned.

[Guevara] That is the goal. There can be no other.

Deputy Foreign Minister Views Economy, U.S. Ties

AU1112193294 Prague LIDOVE NOVINY in Czech 7 Dec 94 p 7

[Interview with Deputy Foreign Minister Isabel Allende by Jana Blazkova in Havana; date not given: "We Have Our Own Democracy in Cuba"]

[FBIS Translated Text] Deputy Foreign Minister Pavel Bratinka, who flew to Havana last week, was the first Czech politician to visit Cuba following five years of stagnation in mutual relations. He discussed the conditions for renewing cooperation with his Cuban counterpart, Isabel Allende. On this occasion, Deputy Foreign Minister Allende granted LIDOVE NOVINY an interview.

[Blazkova] Did you agree with Pavel Bratinka on specific ways of developing relations?

[Allende] Of course, it is impossible to expect that our relations and cooperation would revert to their original intensity from one day to the next. We agreed, however, that in the very near future we will conclude bilateral agreements on protecting investments and on trade and payments. They will create a legal framework for renewing economic cooperation. First and foremost, we expect to promote trade in the energy, glass manufacturing, and textile industry spheres. Cuba already has similar agreements with Italy and Russia.

[Blazkova] The Cuban Government launched certain economic reforms 14 months ago. What further measures are you planning?

[Allende] It is impossible to say at the moment. We have opened the market to foreign investments. We need capital, technology, and foreign trade. We have many factories, but we lack fuel and raw materials. Following the collapse of the Soviet bloc, we lost our entire market there. We will do all we can to ensure that we again develop foreign trade.

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[Blazkova] The Cuban Government has announced that you are preparing to introduce a convertible currency. When?

[Allende] It is impossible to say; but we are striving for it. I am an optimist. Just three months ago, the peso-dollar exchange rate for consumer goods was 120:1, now it is only 40:1.

[Blazkova] Is economic reform accompanied by changes in the domestic political situation?

[Allende] Fundamental ones, no. Understandably, with the change in the economy, policy is also being adjusted. We have young people in the government, but this has nothing to do with the change in policy. We are not always unanimous, but we are united. Thanks to this, we remain independent of the United States.

[Blazkova] In Cuba's view, why is the United States continuing the economic blockade of the island?

[Allende] The blockade runs counter to international law. We consider the reasons cited by the United States—infringement of the principles of democracy and human rights—to be a mere pretext. There are people in the United States who have never agreed with Cuba's independence and its revolution. Each country has the right to self-determination.

[Blazkova] Are you convinced that the United States would not call off the embargo even if changes leading toward democracy were to be initiated in Cuba?

[Allende] If we accept the U.S. conditions, we will not remain independent. We will not make concessions to the United States; we know that this is merely a pretext. The United States is a capitalist country. It claims that freedom exists only under capitalism. Why should the only kind of democracy be the one perceived by the United States and Western countries? Why does there have to be their kind of democracy in Cuba? We have the right to choose what kind of democracy we want. I can prove that we have democracy in Cuba. I remember the time before the revolution in 1959. That was the Batista dictatorship, a real dictatorship. At that time, however, the United States did not say anything about human rights.

'Straight Talk' Debates Sugarcane Initiatives

FL1012180094 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Dec 94

["Straight Talk" program with host Carlos Santana Ojeda and guests Renato Recio and Eloy Concepcion—live or recorded]

[FBIS Translated Text] [Santana] What creative initiatives do you consider important that should be kept in mind now when several sugarcane complexes have begun the sugarcane harvest and the rest will soon follow, Renato?

[Recio] This year the harvest is being prepared with a great many initiatives in every province. We correspondents who travel throughout Cuba have seen a very creative atmosphere and every intention of breaking the routine, as well as of creating new possibilities that will make for a more efficient harvest. We are obligated, as is said in the dice game. We have very little cane and a difficult economic situation. It has been said that the harvest—sugar production—comprises the economy of our country. It has been said—correctly—that emerging from the special period depends on the recovery of our sugar production. These ideas that are flourishing in Cuba are therefore totally valid. Just a few days ago, Eloy and I were visiting complexes in Havana, where we learned about a number of initiatives. Perhaps the one that struck us most was the initiative to revitalize the image of the field inspector in sugarcane harvest areas. Perhaps Eloy can give us more details.

[Santana] What do you mean by revitalize? Was this something that had been eliminated from our sugarcane fields?

[Concepcion] As everyone in our century-old sugar industry knows, there was a person, traditionally, whose function was to... [changes thought] by the way, he worked for the complex—I mean the industrial part of the complex. He was the person who represented the industry's interests because the industry—the complex—needs to receive fresh, clean cane, free of any other type of materials. The industry had this person who, according to the initiative of the comrades in Havana, is now called a field inspector. This comrade is someone with experience and full authority to oversee, check, and control every aspect of the harvest, from the cutting of the cane to its transportation to the mill. He has sufficient authority to stop the cutting process if it is not being done correctly. I propose the following to Renato....

[Santana, interrupting] Talking straight, what this person is going to be is a foreman—is that right?

[Concepcion] I would not call him a foreman. I think that the word foreman brings back memories of an individual who mistreated workers during capitalist times. It is not a word problem. The problem is not about calling them one thing or another.

[Recio] I think that this is important. Before, the foreman took advantage of the fact that there were many unemployed people who desperately needed the job, and they mistreated and exploited them. That image has nothing to do with what we are talking about today— the field inspector. The task to be preformed now is technical. The field inspector is someone who has the authority to control that no technical aspects of the harvest are violated, but not to mistreat or exploit anyone.

[Concepcion] His function is to demand, that is why I stated that it had nothing to do with a name, we now live

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in another time and have a different level of social development. I would like to finish what I started to say and I propose we speak about this other issue, because sugar production has many issues that we could talk about. However, continuing with the field inspectors, this is vital and decisive in the forthcoming sugarcane harvest ...

[Santana, interrupting] Eloy, who are these field inspectors and what are they going to do?

[Concepcion] According to efforts in Havana Province and in other provinces, first of all their job is to watch over something that has harmed our sugar industry for many years—what field should be cut first? The field that is going to be cut first is determined by the ripeness and sugar content of the cane. That is the first vital and decisive element. The second element is that the cane cutter and the combine must cut with efficiency so that no straw or any other strange material gets sent on the truck to the mill. The truck driver must also watch for this. The field inspector has full authority to stop the cutting or the transport if things are being done incorrectly—for example. when a pile is not being made with 40 arrobas, when the place where the cane is deposited is not clean, or when there is dirt in the cane. This could seem strange. Why stop the sugarcane from being harvested? I think that it would be beneficial, just pure benefits.

[Concepcion] What is not beneficial is sending foreign matter—dirt and straw—to the mill. That means less sugar.

[Santana] Undoubtedly, the field inspectors have a great deal of responsibility. Where do they come from and who are these field inspectors?

[Recio] Yes, these are people who must be very responsible and capable. I think the complexes that implement this initiative .... [changes thought] we are talking here about an initiative, not a resolution. This has not been implemented by the Sugar Ministry; it is something that has been implemented in certain provinces and territories, especially here in Havana, Carlitos. They have begun to implement this, but it is a process. Let us speak clearly so no one thinks this is something that has been implemented throughout Cuba. These people must be very responsible and they must be prepared for the task. They receive orders only from the agroindustrial complex's director. They cannot have intermediaries in executing their job. Eloy mentioned this particular harvest, but I think it is better to think of them as also looking ahead to the next harvest. When they are supervising the poor cutting of the cane, they are also contributing to improving the forthcoming harvests. Of course, they also have to make sure that when the cutting ends, the planting begins immediately. This is the old saying that is seldom observed—a field that is cut is immediately planted. The field inspectors must see to that task. They must also watch over the seed banks. You know that the seed problem has been very critical. They must make sure that a good job is done with seed banks in the cooperatives and other designated places. There are many other tasks, but I think it would be interesting to talk about one essential aspect—how the field inspector is going to move through vast areas, traveling from one place to another. The sugarcane areas are vast. He cannot do this on foot. We have been hearing about revitalizing the horseback tradition. A man who works and moves from one field to another on a horse brings about a problem—I do not know if Eloy has the same opinion—our country, our sugarcane, and other types of agriculture must begin to recover the habit, tradition, and economic need of using horses in agricultural tasks. Here I may digress from the issue—please forgive me—but it is absurd for our agricultural workers to be struggling to acquire a bicycle, which is considered essential for transport. I have gone to many efficiency assemblies in the countryside and you never see any horses tied up. You see 100, 120, or 150 people, and no one has gotten there on horseback.

[Concepcion] Excuse me, but don't blame the workers for asking for bicycles. The responsibility belongs to [passage indistinct] the sugarcane and miscellaneous crops agroindustrial complexes have been oriented toward developing horse farms, but the majority do not have horses. People cannot always be on foot....

[Santana, interrupting] Eloy, what Renato is saying is true. What does an agricultural worker do with a bicycle in the middle of a field?

[Concepcion] Yes, but what means of locomotion is he going to use if no one gives him a horse? The conditions have not been implemented by the administrators, the Sugar Industry Ministry, or the Agriculture Ministry cadres to breed horses. The horse is another element that has disappeared. Now the field inspector is going to be riding a horse, but we must find him a horse.

[Santana] Renato, we are not going to shift the attention from the issue. Evidently, the routine has been broken with the implementation of field inspectors—is that right?

[Recio] Yes, just as with other issues where the routine needs to be broken. Monday [5 December], a TRABAJADORES newspaper editorial reported that several provinces are considering the possibility of revitalizing the contract between the sugarcane worker. the agricultural producer of the cane; and the mill, the industrial producer that processes the cane. Carlitos, you know that as in any other sector, we must establish a commercial relationship. I mean, you are selling a product that is called cane—this is my opinion—and there is a buyer for that product, the sugar mill. If we are going to establish that relationship, which must be firm, you must specify the bases for that relationship. You must state that you want to buy a product that has a specified grade of cleanliness, freshness, and ripeness. If you cannot sell me what I want to buy, I have the right to reject it.

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[Concepcion] During the upcoming harvest, we must follow Havana's field inspection initiative. I think it is very good and positive. I think we should keep a close eye on this, but without getting our hopes up by thinking that it will take off immediately. There are too many bad habits, too much poor workmanship that we have suffered for so many years to be able to implement technological discipline all at once. Among other things, we have lost cultural aspects of the sugar industry, with the cane, as well as in the rest of agriculture. We have lost a lot of work culture. That is why I salute Havana's initiative, because it implements a method and an experienced and able person who has full authority to initiate a search for that technological culture that is so necessary.

[Recio] Eloy, I believe that apart from the technological culture that has been lost, there is also a very difficult objective situation. It hampers the quality of the harvest, if additional measures are not implemented. I am going to give you an example. If the cane is so thin ... [changes thought] if the fields are 40,000 arrobas, you cut the cane, but you cannot make the stack so easily. The stack must have 40 arrobas because if not, the gatherer loads poorly, it breaks down, and it picks up dirt, straw, and other foreign material. What I mean by this is that problems are not only subjective. There are objective problems. The thing is that man has to act on objective problems and he cannot lie down and just wait forever to resolve these problems.

[Concepcion] I agree. We cannot forget the objective problems. I think that the sugar industry needs fertilizers, herbicides, equipment, and fuel to be able to water the fields, but along with this, it also needs for us to recover all the work culture that has been lost. That is why I think that the field inspector idea is positive, and we should support this throughout Cuba.

[Santana] Field inspectors—an initiative for the sugarcane harvest, an issue debated today by Eloy Concepcion and Renato Recio.

Minaz Mechanical Union Produces Sugar Industry Parts

FL1212030094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Dec 94

[From the "NTV" newscast]

[FBIS Translated Text] The mechanical union of the Ministry of the Sugar Industry [Minaz] is in charge of producing 60 percent of the parts and components for the sugar industry. According to Jose M. Bravo, its director, the union produced 44 million pesos worth of parts and components this year. This figure is easier said than done if one considers that in 1993, this union reported 5 million pesos in losses. At this point, 90 percent of the parts manufactured have been distributed to the 159 sugar mills in the country, and even though not all will participate in the sugar harvest this year, they must be ready.

So far, the components and parts produced satisfy the demands of the sugar industry. Undoubtedly, even more need to be produced. Nevertheless, the Minaz mechanical union has been able to stop the losses thanks to a change in mentality by administrators and workers: A more rigorous production plan was created; the work force was reorganized according to the budget; losses and subsidies were eliminated; quality inventories were taken; and collectives and individuals received encouragement, all of which boosted production. So far they have reported more than 4 million pesos in earnings.

Nickel Plant Said To Pollute Sea With Metals, Acids

PA1012001094 Havana PRENSA LATINA in Spanish 0949 GMT 9 Dec 94

[Article by Julio Enrique Milian, a PRENSA LATINA contributor of the Cuban Nuclear Energy Information Center; "A Recoverable Treasure"]

[FBIS Translated Text] The Pedro Soto Alba nickel plant is the starting point of a current of liquid waste—called WL Liquor—that flows at a rate of 12,000 cubic meters a day and carries into the sea a wide range of light and heavy metals, such as sulfates and great amounts of sulfuric acid, which is used in the lixiviating process of the laterictic mineral.

Every day, 72 tons of aluminum, 48 tons of chrome, 15 tons of magnesium, and 30 tons of the dangerous sulfuric acid get dumped into the sea. This harms the marine flora and fauna and in the long term, could cause irreversible damage.

For this reason, a group of Cuban specialists has been studying alternatives to treating the waste liquor, to reduce its power of contamination and recover some of the metals lost this way.

Using a liquid-liquid method, investigators from the Center of Applied Studies for Nuclear Development and the Jose Antonio Echeverria Advanced Polytechnical Institute, managed to recover, in a laboratory, aluminum from the WL residual and obtain a 95-percent pure metal solution.

World aluminum extraction industries currently use alkaloids, electrothermal, and acid processes for this.

In fact, in order to recover metal from nonconventional sources, the Cubans decided to apply other hydrometalic procedures, such as the so-called extraction by solvent, a process that can be economically advantageous.

All WL Liquor treatment processes will be costly due basically to the great volume, but the investment payoff is beyond question because the metals involved are of great economic importance. Partial solutions are also possible in order to earn initial profits that ease overall decontamination.

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Cuba, which has an exceptional climate and attractive surroundings—both for the visitor as well as for locals—has a great responsibility to maintain living conditions for its inhabitants.

Even though the island has sad examples to which neglect, lack of discipline, and other causes make solutions expensive—such as Havana Bay—it is comforting to know that work continues on strategic branches of the economy to take advantage of residuals and the control the harm they cause.

The investigation, headed by Juan Carlos Benites, recommends designing equipment needed to to broaden the results of the studies.

This project, with its results taken to industrial levels, could supply not only tons of aluminum—a strategic metal—but also important amounts of zinc, magnesium, cobalt, nickel, and manganese, which are currently being dumped. The recovery of these elements would help prevent the continued and indiscriminate contamination of the Cuban environment.

Lage Commends EJT for Isle of Youth Agricultural Efforts

FL0712010994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Dec 94

[From the "NTV" newscast]

[FBIS Translated Text] At the end of a visit to the Isle of Youth, Politburo member Carlos Lage Davila assessed the work done by the Youth Labor Army [EJT] in the citrus harvest and the territory's efforts in food self-sufficiency:

[Begin Lage recording] During our visit we saw the intensive work being done to recover areas, and the production of already existing areas. Citrus production is very important and fundamental on the Isle of Youth, and we can already see recovery results. Two years ago, the decision was made to assign the EJT to this task. I think the successful work done by the EJT deserves recognition. We have witnessed this today.

During this harvest campaign, which concludes at the end of February, we have noticed certain production increases, but they are still minimal. Current production is still far from what can and will be reached in the future. But for now at least, the decline in production has been reversed. The work we have seen in land clearing alone is extraordinary. Part of this land was once harvested, and the other part is completely new. Around 200 caballerias are going to be dedicated to harvesting rice, beans, and tomatoes. From 5 November to date, a huge effort has been made, and now, approximately 40 percent of that land is clear and some areas are being prepared for planting. I think that a huge, serious, important effort is being made in agriculture, considering our current lack of resources. We see opportunities for increased production. The decision to assign the EJT to the citrus harvest has allowed the rest of the island's work force to concentrate on other areas of agriculture. [end recording]

Havana To Host AIDS Conference Next May

PA0912175694 Havana PRENSA LATINA in Spanish 1809 GMT 7 Dec 94

[Report by Gabriel Mejias Coll]

[FBIS Translated Text] Havana, 7 Dec (PL)—Cuba has called an international conference to demonstrate its expertise in a program to control and treat HIV virus carriers.

Ronaldo Ramirez, head of the AIDS Control and Prevention Program in Cuba, told PRENSA LATINA that this meeting—the second of its kind to take place in Cuba—will be held in May at the Pedro Kouri Institute in Havana.

"The conference will allow us to benefit from the experience of other countries through an exchange that will permit us to broaden our knowledge and provide better care to people infected with the HIV virus, the cause of AIDS," Ramirez said.

The subjects to be discussed include the epidemiology of HIV infection; the psychological effects on infected individuals; the clinical, therapeutic, surgical, and pathological treatment of AIDS virus carriers; and laboratory studies regarding the AIDS epidemic.

Ramirez emphasized that this will be a good opportunity to show the scientific world Cuba's AIDS control and prevention programs, "unknown to many under the penalty of ignorance," he pointed out.

Since the start of the Cuban program in 1986, when the first AIDS case was reported, 1,096 people have tested HIV positive, 207 have died, and 320 are sick.

At that time, the health authorities decided to create 14 sanatoriums throughout the country to take care of HIV positive patients and sick people. However, it was approved that "those people who are capable of taking care of their health and the health of others" could live within society.

This variation has been called the "ambulatory plan," which includes 147 patients, although contrary to belief, the requests received by the Public Health Ministry have been less than expected.

Doctor Meets Press on Meningitis Vaccine's Success

FL1012030994 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] The contribution of several tens of millions of dollars through the marketing of the Cuban

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meningitis and hepatitis vaccines was one of the main results of the current year in the biotechnological field. Dr. Gustavo Sierra, president of the national group of vaccine experts and vice president of the Finlay Institute, outlined the achievements in this area during a news conference today. He pointed out that meningitis had ceased to be a health problem with the discovery of the vaccine. He highlighted the fact that Cuba was the first and only nation in the world to control this sickness, which has an incidence of 0.07 percent for every 100,000 inhabitants within the treated population.

Of the more than 30 million doses of the vaccine applied in the nation and other regions of the world, no important reactions have been noted since all were benign, transitory, and reversible, and the frequency of appearance was smaller than that of other similar formulations. For example, he cited Colombia's results with the meningitis vaccine, which were positive. After three years of being applied to children up to six years of age in different areas, no new outbreaks had been detected and the epidemic was controlled. Meanwhile, in Brazil, the Cuban vaccine had an effectiveness of more than 80 percent in children under 7 years of age, and they are currently concluding the first phase of a massive campaign that includes 7 million doses.

Hospital Cleaning Problems Solved

95CA0046A Havana TRABAJADORES in Spanish 31 Oct 94 p 9

[Article by Alina Martinez Triay]

[FBIS Translated Excerpt] The health care services have been deteriorating recently, damaging the quality of their work. Irritation and dissatisfaction have been sensed among the population, especially in the city of Ha[illegible]na.

It is not that the majority of the people do not understand the impact which the double embargo to which we have been subjected and the limited amount of foreign currency available are causing in a sector which traditionally has had everything it needed to provide its services, nor that they fail to recognize the tremendous effort which the majority of the health care workers are making to continue to provide quality medical care in the midst of these difficulties.

What they do find intolerable, though, and what has become a cause of just criticism are phenomena that have nothing to with the unfavorable objective situation we are going through, things like insensitivity, lack of communication among health care personnel and patients and families, poor responses to the concerns of these patients and families, inertia and lack of initiative in looking for solutions, and the feelings of insecurity and pessimism which such behavior causes.

Despite the shortages we are experiencing, the state has made an effort, earmarking specific resources for health care institutions in the capital to help them deal with the poor condition of some of their facilities, which have been detrimental to the quality of care. But it is a mistake to think that the problems the sector is facing are going to be resolved simply with more money. It has been clearly shown that many of these problems are subjective in nature, so it is up to the workers, following the guidance of the managers of these centers and organizations, to react to well founded criticism with a feeling of shame and a willingness to do better, and by taking action to correct these negative behaviors and looking for alternatives so we can cope with our objective limitations with optimism, creativity, and initiative.

A tour of five city hospitals—Miguel Enriquez, Salvador Allende, Freyre de Andrade (emergencies), Calixto Garcia, and Hermanos Ameijeiras—showed us that this response is indeed present, and that a number of factors are exerting a positive influence. These factors include: measures designed by the health support group of the government commission established to deal with problems in the capital; the "hands-on" analyses being done in the Assemblies on efficiency; the steps taken to deal with the difficulties and shortages everywhere; and the ties of cooperation established between the hospitals and some state enterprises and organizations.

Ensuring Cleanliness in Medical Institutions

Solving the problem of unsanitary conditions, which the people have harshly criticized, could not wait until more people could be hired to supplement the staff responsible for this job, an area in which all medical centers are very shorthanded. "Cleaning Saturdays" have been set up, which have become days set aside for massive cleaning operations for an entire hospital, with both workers and students taking part.

Another solution has been to give institution management the authorization to use greater flexibility in handling their salary funds, so that in an area where there is a shortage of general hospital aides, the people who do the work of absent workers are paid for their extra work. In addition, consideration is being given to the possibility of hiring other workers to do this type of work after completing their regular work.

In the Salvador Allende Hospital this salary redistribution has been used to organize the personnel into work brigades, so cleanliness has not become a serious problem there. At the Miguel Enriquez Hospital the effectiveness of these steps is shown in the improvement of cleanliness in the wards and examining rooms, although the problem has still not been solved. General clinical and radiology departments, they told us, are now using a small group of workers who have been hired to clean at the end of their regular workday.

Easing Tensions Among Nurses

Using more flexible scheduling and placing personnel in hospital areas to handle activities that place an extra

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burden on nurses—like message taking, linen and equipment control, for example—help to alleviate the tense conditions in which the nurses have been doing their work.

In the hospitals we visited the doubling up of shifts has been substantially reduced, but the response to the shortage of nurses needs to be accompanied by actions like attracting back nurses who have left nursing for various reasons—at Miguel Enriquez they have now brought back about 50—and the use of medical and nursing students to work in the hospitals, which is being done. At some hospitals like Calixto Garcia there are parts of the hospital, like an area in the clinic, where the nursing care is practically done by fifth-year nursing students, and there is another in Yarini where skilled nursing assistant students do practically all the work with a graduate nurse in charge. It is interesting to note that surveys show a high level of satisfaction with the work that is being done by these young people, for whom this work forms a very useful part of their education.

A longer-term solution for this problem is to train future nursing graduates and skilled nursing aides in the hospital itself. This will help to give them a feeling of belonging and a commitment to the institution, which will encourage them to remain there after graduating. [passage omitted]

Inter-Caribbean Affairs

Editorial Welcomes Inclusion of Bananas, Debt at Summit

FL0912161294 Bridgetown CANA in English 1400 GMT 09 Dec 94

[All quotation marks as received]

[FBIS Transcribed Text] Bridgetown, Barbados, Dec 9, CANA—Following is the text of the editorial in Friday's Advocate newspaper:

"The 34-nation Trade Summit known as the Summit of the Americas convenes in Miami, Florida, today. It will be attended by politcal leaders from the United States, Latin America and the Caribbean. Caribbean leaders, led by Prime Minister Owen Arthur, who is also current chairman of CARICOM, will be present.

It is a meeting however, which they are approaching with considerable suspicion. This is so for a number of reasons. The smashing defeat of President Clinton's Democratic Party in recent mid-term congressional elections has left the US President surely worried. There is suspicion that his interest is principally to use this summit as a photo-opportunity. But there are other and more important reasons for the distrust of the Caribbean leaders. There has been a refusal by the Americans to put on the agenda those topics which are of the greatest interest to the Caribbean. Access of bananas from the Eastern Caribbean islands to the European Union under the terms of the Lome Convention is under attack by no less than the US itself. In an effort to pander to the right wing in the US, that government is supporting the large US companies which own the banana industry in Central and South America in challenging the preferences being offered by the EU.

The islands, led by the formidable Dame Eugenia Charles of Dominica, are not taking it lightly. Even though this issue was not originally an agenda item, there was never any doubt that Dame Eugenia and others would find a way to introduce this subject. With the possible rejection of their case, a highly controversial situation could arise which would result in the CARICOM leaders walking out of the conference.

The other major issue which is not on the agenda is that of debt forgiveness, or at least a restructuring of the debt of the Caribbean countries. This is of particular concern to such countries as Jamaica and Guyana, and here too the US will not be allowed to avoid discussion of this issue.

Caribbean leaders will be asking themselves whether the US is our friend or our foe. In terms of world trade the West Indies constitute an infinitesimal portion of that trade. But in terms of the importance of the banana industry to the islands concerned it is critical to their economy and if the US were to succeed in its present efforts, disaster of the most serious kind would face those islands. Nor would it be an adequate alternative for the US to offer economic aid. The islands seek trade not aid. Proper employment for the inhabitants of those islands is far better and more important than their being the mendicant beneficiaries of American largesse.

To all of that is added the ingratitude of the Americans towards CARICOM. These territories stood by the US and gave to that super- power's intervention in Haiti the colourful gloss of an international operation. This is no way to treat a respected and reliable ally.

We are therefore happy to learn that a significant, albeit belated, shift has occurred in the American position. We would be happier if it did not come as a result of vigorous opposition by the Caribbean countries to a US trade decision that could have devastated their banana-based economies. It is never too late to step back from the brink. All of those many West Indians who are sympathetic towards the US and who wish that great country well are now encouraged by its decision to take account of their position at the Miami summit and address the major concerns of the West Indian islands. The alternative is not happy to contemplate—disaster for the banana islands and an archipelago composed of disaffected people and hatred for the US. People who like to think of themselves as statesmen and not as mere political lackies have more to offer and should guard their names in the history books of the future with more sensitive and more generous policies.

With its latest decision, the United States gives the Caribbean people reason to continue embracing the

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world's sole super-power as a friend rather than an enemy, even though their suspicions may not yet be fully allayed."

Bahamas

Report Suggests PLP Government Violated Financial Laws

FL0912204894 Bridgetown CANA in English 1920 GMT 9 Dec 94

[FBIS Transcribed Text] Nassau, Bahamas, Dec. 8, CANA—The Public Treasury under the former PLP [Progressive Liberal Party] government of Sir Lynden Pindling appears to have violated the law on numerous occasions during the years up to December 31, 1991, according to a recently released independent auditors report. The Coopers & Lybrand/KPMG [expansion unknown] Peat Marwick report, commissioned by the 28-month-old Free National Movement (FNM) government, although completed in 1993, was only recently tabled in parliament.

Among other things, the auditors found that the Treasury:

—Authorised advances from the Deposits Fund, which totalled more than 45 million dollars above the legal limit of 5 million dollars;

—Admitted that an investments account balance of 544,499 dollars listed on the balance sheet of the Consolidated Fund for the year ending Decemeber 31, 1991, had nothing to support it and should be written off;

—Continued to list almost 4 million dollars as being in a Royal Bank of Canada account after the account had been closed during 1991, and ;

—Had in its possession almost 3 million dollars in bad cheques from government departments and the general public.

The auditors reported major deficiencies in the Treasury's system of internal control, particularly with respect to the accounting records maintained for bank reconciliations and the Deposit Fund.

As a consequence, the auditors were unable to complete all audit procedures, and could not satisfy themselves as to the completeness, accuracy and validity of revenues and expenditures recorded in the Consolidated Fund, and deposits and withdrawals recorded in the Deposits Fund.

The auditors were, therefore, unable to determine the extent of adjustments required in respect of recorded or unrecorded assests, liabilities and components making up some of the financial statement.

On the 45 million dollars authorised from the Deposits Fund above the legal limit, the auditors has not been provided with and were unaware of any resolutions passed by the House of Assembly approving the use of the Deposits Fund to absorb Ministry of Agriculture packing house losses. "If there were no such resolutions, the advances made from the Deposits Fund were in violation of the Act," the auditors remarked. "Our discussions with senior officials of the Public Treasury have revealed that there is no coherent policy in place for determining whether an advance should be treated as (i) a capital contribution (ii) a loan or (iii) a subsidy," says the report. "The lack of such a policy raises doubt as to whether or not certain advances have been properly classified in the Current and Capital Accounts at 31st December, 1991."

An illustration of this "uncertainty" is an instance where a loan for approximately 6.6 million dollars was granted to the Water and Sewerage Corporation by the government of the Bahamas during 1985, the Independent Auditors Report states. "Per a confirmation received from the Water and Sewerage Corporation, the balance outstanding on this loan at 31st December, 1991, was 5,664,070." The Treasury's records, however, showed 203,690 dollars as being due from the Water and Sewerage Corporation as at the balance sheet date, the report notes.

"Additionally, we noted that a detailed ledger is not properly maintained for loan advances. This shortcoming appears to be in contravention of Section 27(3)j of the Financial Administration and Audit Act 1973, which requires a statement to be presented disclosing all loans made by the government which are outstanding at the end of the financial year," auditors said.

Regarding the remaining components of the Current and Capital Account balances fo the Consolidated Fund, "we have been unable to complete our audit procedures in respect of recurrent revenue and expenditure, and other deposits for the Current Account and capital expenditure for the Capital Account principally due to the fact that Public Treasury officials were unable to provide us with certain source documents as detailed in our interim letters to the Minister of State advising him on the progress of the audit and or preliminary findings," stated the auditors.

"The accounting records of the Deposits Fund do not presently provide sufficient details of balances included in the advances and depository liabilities accounts and thus we were unable to properly audit them," states the report. "The Deposits Fund balance of 15,087,341 dollars (debit) is comprised of advances of 60,311,970 dollars are depository liabilites of 45,224,629. Our audit procedures revealed serious deficiencies in the accounting records of the Deposits Fund," the report says.

Responding to the list of apparent violations, the Treasury said that in all instances, the direction to proceed was conveyed by the financial secretary.

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Cayman Islands

Authorities Grant 41 Cubans Political Asylum

FL0912202594 Bridgetown CANA in English 2008 GMT 9 Dec 94

[FBIS Transcribed Text] George Town, Grand Cayman, Dec 9, CANA—Cayman Islands authorities have granted political refugee status to 41 Cuban nationals, part of a group of more than 1,000 who arrived here during the past several months after fleeing their communist-ruled homeland.

The 41 Cubans, who have been released from the government's internment camp for Cubans, were designated as refugees after numerous interviews with the Caymans Immigration Department in accordance with United Nations High Commission for Refugees (UNHCR) guidelines and with UNHCR representatives in attendance and reviewing the interviews.

The Cayman Islands Government Information Service (GIS) said the 41 Cubans were granted asylum after Immigration and the UNHCR determined they had a "well-founded fear of persecution in respect of returning home, because of (their) political opinions and affiliations."

The group of 41, including 17 families and their children, two single men and one single woman, were taken from Tent City to government-owned apartments Thursday where they will live until they become "self-sufficient."

The remaining 1,125 Cubans housed at government's Tent City camp, did not qualify as refugees under UNHCR guidelines, Chief Immigraion Officer Gerry Maguire said. They will be allowed to appeal that decision to an independent judge.

Maguire said the 41 Cubans granted asylum are now "permanent residents (of the Cayman Islands) with the right to work," and can stay in this British territory as long as they wish. They are also eligible to apply to live elsewhere in Britain or they can look for a third country such as the U.S. to establish residence.

Nestor Valeron, a medical doctor and one of the 41 Cubans released, said most of the group have relatives in the United States and Spain and will apply for a political refugee visa to those countries as soon as possible. Valeron said some in the group were former members of Cuba's ruling Communist Party who had denounced President Fidel Castro and his policies. For this, they had lost their homes and jobs and their children were taken out of the top schools for party members only. They were also booted out of the party, Valeron said, and threatened with immediate arrest for their statements.

Grenada

Prime Minister Pleased Bananas on Summit Agenda

FL0912200794 Bridgetown CANA in English 1802 GMT 9 Dec 94

[FBIS Transcribed Text] St. George's, Grenada, Dec 9, CANA—Regional leaders meeting in Miami must take decisions and make recommendations that are relevant to their countries and to sustainable development, says Grenada's Prime Minister Nicholas Brathwaite.

Speaking to CANA just prior to leaving for December 9-11 Miami summit of the Americas, Brathwaite commended the inclusion of bananas on the summit agenda. He said the survival of democracy in the Windward Islands—Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines—was tied to the survival of the banana industry. "The future of these islands depends on what happens to bananas because you can't talk democracy and then find that at the same time the democracy might not survive in your own country because economic development," Brathwaite stated. He said concerns that the region's response to the banana issue may be emotive, are based on the fact that people on the "outside" do not understand the importance of the commodity to the four islands.

He urged his counterparts to come out of Miami with a document that will serve to strengthen the region's resolve for development and move away from the "talk shop" scenario of the past. "I think the most important thing coming out of the conference will be the follow-up action. I expect the communique from the summit to be action oriented in terms of its recommendations," he told CANA. He said after the meeting there should be a continuing dialogue on the major agenda items on the agenda including democracy, sustainable development and trade.

Brathwaite is heading Grenada's summit delegation which comprises Agriculture Minister George Brizan, Permanent Secretary in the Finance Ministry and former head of the OECS [Organization of Eastern Caribbean States] Economic Affairs Secretariat Dr Carl Mitchell, Grenada's Ambassador to the United States Dennoth Modeste and Grenada's honourary counsel in Miami, Richard Nixon.

Haiti

Senate Backs Forming of Provisional Electoral Council

FL1012014594 Port-au-Prince Radio Metropole in French 1145 GMT 9 Dec 94

[FBIS Translated Text] The electoral council has been formed, proving that Haitian politics are active. While it seems more and more certain that the council will be provisional, senators want to stick as closely as possible

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to constitutional guidelines in forming the electoral council. Edner Jean reports:

[Begin recording] [Jean] President Aristide wanted to hear the senators' answer before traveling to Miami. The senators met and finally decided on 8 December to support the head of state's proposal to create a provisional electoral council to organize the coming electoral race.

Senate Vice President Serge Joseph told Radio Metropole that he hopes that the process of choosing provisional electoral council members follows constitutional guidelines as closely as possible. Joseph reproacned deputies for having dragged out the procedure likely to lead to the permanent electoral council's formation.

[Joseph, in Creole] Although the senators do not have any problem with that, they are frustrated that they worked all day and night to vote on the law on territorial communities and to set up the permanent electoral council in time. The deputies did not put that kind of effort into it, and that frustrates us. However, we do not have any problem going along with any decision that will allow the elections to be held before it is too late.

[Jean] Now that the last barrier to creating the electoral council has been lifted, it is clear that the institution which will organize the coming electoral race will be provisional. Every legislator and member of the executive talks of meeting constitutional requirements to justify this decision. Are we not returning to the line of thinking that led to the 18 January elections in rushing all this?

[Joseph, in Creole] This is not the same line of thinking at all. We are a constitutional government, working in the field. There are two ways to set up the electoral council: set up assemblies—which we will not have time to do, especially since it could take five months—or set up the provisional electoral council—which can be done in various ways. We have adopted the approach closest to the constitution, meaning the three powers meet and choose the members from a list. There is no similarity with what occurred under the Marc Louis Bazin government.

[Jean] Chamber of Deputies President Frantz Robert Monde wholeheartedly supports the principle of a provisional electoral council.

Monde, who recently returned from a long stay abroad after undergoing surgery on his left eye, says that he has always supported this approach. He says that this approach is the only one likely to allow the organization of elections in the short-term under tne current conditions. President Monde rejected Senator Joseph's accusations against the deputies.

[Monde] We have been backing this approach since the president's return. We figured that delaying a decision on the elections would embarass everyone. We said so during our first meeting with the president and suggested forming a provisional electoral council. Be serious! How can the senators reproach us? They should reproach themselves for delays in voting on some bills. They merely ratify our decisions. We did the major task for them. They must understand that we are campaigning; only one-third of them are not campaigning. They cannot leave a vacuum.

[Jean] Deputies will now launch into a struggle for seats in the 46th legislature. Of course, this could slow work at this special session even more. Deputy Monde reassures us, repeating his trademark slogan: The deputies will always answer the nation's call. [end recording]

Bazin Government Council Protests Dissolution

FL1012002694 Port-au-Prince Radio Metropole in French 1145 GMT 9 Dec 94

[FBIS Translated Text] Baltazar Saint-Fort Laine, president of the electoral council appointed under the Marc Bazin government, has said that procedural errors make the Smarck Michel government's 11 November decision to dissolve the council null and void. Baltazar, who protested when U.S. soldiers confiscated council documents and materials on 27 September, promised to take legal action against the Michel government:

[Begin Laine recording] We will take legal action against the the government. They are making many errors; there are many flaws; they are being tactless. We, as Haitians, don't find this normal. The state pays this institution: The Haitian state pays us every month. We must defend our rights in a court where conflicts between the government and an institution that is independenent of the government can be resolved. Let me remind you that the electoral council is not attached to one president or one prime minister but is an independent, Haitian, state institution. The public should know that the multinational force that occupied Villa d'Accueil in September confiscated all material, including the electoral council archives which contained the people's land titles and the birth certificates of former candidates. These are very sensitive documents, and those gentlemen do not know what they are doing. We warn the public that this material is no longer in our care. This material belongs to the state, which is why we are going to court to challenge the government. It is not meeting its responsibilities in approving such an action. We want to get the material back. We warn the public that Haitian state property is in danger. We are taking this action because we do not know where the land titles are. We want to uphold the people's right to preserve a state of law, as they said they would do. [end recording]

FRAPH Leader Summoned to Court on Torture Charges

FL1012005794 Port-au-Prince Signal FM Radio in French 1800 GMT 9 Dec 94

[FBIS Translated Excerpt] Port-au-Prince sources reported on 8 December that the Haitian Justice Department has summoned Emmanuel Constant and Louis

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Jodel Chambelain, leaders of a neo-Duvalierist Haitian party, on charges of attempted murder and physical torture lodged by private citizens. Constant is the secretary general and Chambelain the coordinator general of the Revolutionary Front for the Promotion and Progress of Haiti or FRAPH. This organization benefited under the Haitian military chiefs who staged the September 1991 coup d'etat and has been accused by President Jean-Bertrand Aristide's supporters of having committed many exactions and political crimes. Jean Luckenson reports:

[Begin Luckenson recording, in Creole] The summons that Judge Fritz (Syrillac) has issued on FRAPH Secretary General Emmanuel Constant has been put on hold. Haitian and foreign correspondents and several curious onlookers had already gathered around the Palace of Justice by around 1000. Wily Paul, a FRAPH spokesman, appeared on the Palace steps in a black suit and hat a few minutes after 1000. He looked scared as he awaited the two (?plaintiffs). Ansyto Felix, a member of an anti-FRAPH organization, accompanied colleague Mario Joseph in silence. Felix and Joseph were holding a news conference on the steps by 1100. They accused Constant of torture and committing crimes against members of an anti-FRAPH organization. [passage omitted]

Paul wasted no time reacting: The word is reconciliation; lavalas and FRAPH members are brothers and sisters. Speaking like a prophet, a good father, a good samaritan, he said that he is willing to sacrifice to defend Emmanuel Constant, his leader. [passage omitted]

The atmosphere changed following Paul's remarks. The crowd turned angry and wanted to tear Paul apart. He held up a yellow FRAPH card bearing his picture and a drawing of two pigeons, which Paul said symbolize reconciliation. The people did not take that very well and asked for the criminals to be tried and for the 30 September family to be sentenced. The crowd lashed out at Paul despite the efforts of several reporters to help him escape in their car.

Judge (Syrillac) went against his boss' will and did not allow the journalists to record his remarks. He said that 28 plaintiffs filed complaints against Constant last week.

The judge told me that Attorney Gregoire Eugene, Constant's lawyer, and Constant would appear in court at 1000 on 12 December.

The FRAPH leader is accused of attempted murder and physical torture. The judge pointed out that the situation is in flux: Although the instructions have been given, definitive instructions are expected from the prosecutor. The judge did not suggest the maximum sentence Constant could receive if found guilty.

As the old saying goes: The leaf that falls into the water does not rot on the same day. [end recording]

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EZLN Breaks Truce; Hostilities May Resume 'at Any Time'

PA1112002294 Hamburg DPA in Spanish 2324 GMT 10 Dec 94

[FBIS Translated Text] San Cristobal de las Casas (Mexico), 10 Dec (DPA)—The Zapatist Army of National Liberation (EZLN) advised the International Red Cross today that the truce with the Mexican Army has been broken. The truce has been in effect since 12 January.

In accordance with the Geneva Convention, the EZLN's Clandestine Indian Revolutionary Committee General Command informed the international organization that hostilities may resume at any time.

Likewise, according to eyewitnesses, the conflict zone has been militarized by the rebel forces and the civilian population is ready for a possible evacuation.

The Guadalupe Tepeyac free zone hospital is prepared to receive the injured. The hospital's corridors are lined with beds and everything is ready to face the situation. Based on this new situation, physicians and the rest of the government's personnel in the conflict zone have abandoned the region on orders of the armed group.

At the Zapatist towns, trenches with rebels can be seen and combatants have instructions to protect the area. Meanwhile, federal Army patrols are in all the streets and avenues of the municipal seats of Ocosingo, Las Margaritas, Altamirano, and San Cristobal de las Casas. In San Cristobal, two new roadblocks have been set up with which the municipality is practically surrounded.

EZLN's Marcos Warns Government 'Time Is Up'

PA1012041594 Mexico City LA JORNADA in Spanish 8 Dec 94 pp 1, 15

[Report on interview with Subcommander Marcos of the Zapatist Army of National Liberation, EZLN, by Epigmenio Ibarra in Aguascalientes, Chiapas State, on 7 December]

[FBIS Translated Text] Aguascalientes, Chiapas, 7 Dec—The day before Eduardo Robledo Rincon, Institutional Revolutionary Party [PRI] member and Chiapas governor-elect, assumed office despite the Zapatist Army of National Liberation's [EZLN] warning that this action would break the cease-fire that was agreed upon 11 months ago, Subcommander Marcos said that the EZLN "is not declaring war" but warning that "the time is up." In addition, he said the EZLN is not refusing to sign an agreement with the federal government. Far from that, the EZLN is willing to talk, but "facing the nation, not behind closed doors and without witnesses." According to Marcos, negotiating behind closed doors would be very costly "for the political health of our organization and the Mexican system." The guerrilla leader vehemently demanded from the government "clear signs of a detente and evidence that an effort is being made to find a political solution." Marcos regards the cease-fire as "a bridge," which has become narrower with the passage of time to the point where it has permitted the reemergence of repression, "sometimes by the government system and sometimes by the large-scale cattlemen's private police, but with the tolerance of the state and federal governments. I think the federal government sometimes has sponsored this type of radicalization." In an interview with LA JORNADA, Marcos admitted that President Ernesto Zedillo proposes a dialogue "at the speech level" but said that at the same time, Zedillo sticks to former president Carlos Salinas de Gortari's position of "letting the conflict wear itself out." Going right to the point, Marcos said that the government "can be very radical in its speeches but very reactionary in practice."

[Ibarra] Is the statement you people made yesterday a declaration of war?

[Marcos] We are pointing out two types of problems. One of them, on a national level, is the lack of signs on the part of the government regarding the present situation. We do not see any signs that the government is willing to find a political solution to the conflict. We admit that Zedillo has proposed dialogue and negotiation as a solution. At the same time, however, he sticks to former President Salinas' position of letting the conflict wear out by itself. The idea is to let the problems solve themselves, without a government effort to face them, and to pretend that nothing has happened, as if there had not been an armed uprising in January and as if all of the things that occurred this year had not really happened. "The EZLN is pointing out this fact because precisely the opposite is true. The problems are not diminishing and the conflict is not sliding to the background but becoming more and more serious. In January, during the war's hottest stage, a very strong bridge began to be built between the two most radical positions facing each other at the battlefield. On one hand, we held the position of resolving the war by military means. On the other, the government advocated the same solution.

"Because the problem and its true causes had not been addressed and time had been permitted to pass instead, the bridge that made possible a cease-fire and then a dialogue became narrower through the regional events that are being tolerated by the federal government. I am referring to Robledo Rincon's candidacy and the decision, taken beforehand, to impose an electoral process despite a conflict that had not yet been settled. The process was based on the candidacy of an unpopular person, a fact that also indicates a collusion with previous Chiapas governments, which is what forced us to rise up in arms. I specifically refer to Absalon Castellanos and Patrocinio Garrido.

"Consequently, the narrowing of this bridge is also narrowing the possibility of a negotiated solution. This situation is not due to our military actions or specifically regional circumstances. The federal government has tolerated and sometimes sponsored this type of radicalization.

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"Furthermore, we insist that the dialogue, if it takes place at all, must be in plain view of the nation, so to speak, and in the presence of witnesses. It is necessary to seek a sort of mediation, other than in the strictest sense of the word, so there can be someone present who can guarantee that the two opposing forces, which must resolve their discrepancies through civilized means and not through confrontation, can sit face to face. We will not accept a dialogue behind closed doors or an agreement with the federal government without witnesses. We do not refuse the idea of reaching an agreement. We refuse to accept a procedure that would entail a high political cost for the EZLN, because this would undermine the political health of our organization and the Mexican political system."

[Ibarra] Do you people not think that in President Zedillo's speech, there are signs of change in relation to his predecessor?

[Marcos] We have indeed seen a change. Nevertheless, we learned in February and March and in the San Cristobal de las Casas talks that the government can be very radical while speaking but very reactionary in practice. The Clandestine Committee, and in general all of the fellow EZLN members, rose up in arms because they mistrusted this word. They finally saw that the San Cristobal proposal, which represented progress in some aspects, was only words. The idea on the part of the government had been to make as many pledges as possible, even an eventual recognition of the EZLN as a political force, as long as it was possible to attain a military detente and thus sign peace and have the EZLN surrender its arms.

"We do see that Zedillo has admitted poverty to be the cause of the movement and a phenomenon that can occur elsewhere. We do not make our decisions based on the words that we hear but on the facts that we observe. This is the great contradiction that we have observed. A clarification is necessary, either Zedillo should make the break and turn his words into action, or he should be consistent and not speak of an alleged break anymore."

[Ibarra] When the National Democratic Convention started, you said the EZLN cannot impose war on the people, but isn't yesterday's declaration something like imposing war?

[Marcos] We go by an analysis of the national situation. At the August convention we faced a Mexico on the move, a civilian society and a political society on the move, with hopes of change, with big demonstrations and embarked in a civil struggle program. Under such circumstances, imposing a military element constituted a heavy blow to that vast movement and against the nation's expectations. At the start of December, however, we find that element does not exist and that certain segments of society are awaiting precisely for someone to call attention again or to again create tension among social forces that are now lethargic, in a situation of impotence and frustration.

"We are not declaring war; we are warning that time has run out. That warning dates back to 17 November, when the Clandestine Committee handed the authority over to the military directorate as if to warn that the situation is getting tight, that we are going to have to get again... they left us no other course than the one taken on 1 January, and we are making a final and desperate call to the government to give signals that it really wants a political solution. We are also sending a desperate call to the civilian society to get moving and regain the spirit it had before 21 August and lost afterward.

"We are saying that time is running out and are abiding by a commitment with civilian society by saying that all the doors are closing again. We do not see, and I say this sincerely, that anybody is interested in opening them in a decisive manner, and I am referring to the doors of mobilizing civilian society in a peaceful fashion. And then the other more downtrodden segments, the ones I call the 'country's basement,' are pressing us saying that it is our turn again.

"We are abiding, I think, with the commitment we have with civilian society or that sector of civilian society that got moving to seek change through a peaceful and legal course by warning it that we are again drawing close to 1 January. On 21 August (the federal elections) the count backward began and then came 27 September (the murder of Francisco Ruiz Massieu) and before that came 23 March (the murder of Luis Donaldo Colosio). Now, they are imposing on us a governor like Robledo and are taking Chiapas to the situation that existed on 31 December 1993. We have a concept of reality that arises from a current assessment but most of all from a assessment that comes from history, from long ago, and we cannot allow it, we cannot feel happy or satisfied with ourselves if after all of our men who have died, after the entire process that has ensued, history repeats itself. We cannot do that; we cannot allow things to remain the same...the clock is once again drawing close to 31 December 1993, and we have often insisted that on 31 December 1993 we were desperate, and the action of 1 January 1994 was desperate. Then, do we have to do the same thing? That is what we are saying, that the clock of 8 December (the swearing in of Robledo as Chiapas governor) ties in with the clock of 31 December 1993."

Zedillo on Chiapas, Price Stability, Employment

PA0912162794 Mexico City XEW Television Network in Spanish 0430 GMT 7 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo, when closing the National Industrialists Convention a few moments ago, said that his government will act with a firm intention to attain a fair and dignified peace in Chiapas State through dialogue and political agreement. President Zedillo warned that there is no place for threats or ultimatums, much less for the sullying of the republic's Constitution.

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He also said all of government's political actions will abide by the law. The government, President Zedillo said, will not use force; each side must maintain the cease-fire. He called on those who remain unsatisfied to opt for a political solution and not to employ threats. I invite you, President Zedillo said, to be part of the unity and peace for which all Mexicans yearn.

Speaking to industrialists from across Mexico who were attending this convention, President Zedillo announced a simpler tax policy with less bureaucratic paperwork. We will undertake, he added, a great promotion of exports. He said his administration will place priority on price stability. We will bolster job training, President Zedillo added, and the number of trained Mexican workers will be fivefold. President Zedillo said support will be given to capital investment, adding that a fiscal policy compatible with economic development will be maintained.

Chiapas Governor Includes PRD, PAN in Cabinet

PA1012041294 Mexico City UNOMASUNO in Spanish 8 Dec 94 p 7

[Unattributed report]

[FBIS Translated Text] At 2200, Manuel Zepeda, the new Chiapas Social Communications director, announced the composition of the cabinet of the government headed by Eduardo Robledo Rincon. It includes two PAN [National Action Party] members, one former PRD [Party of the Democratic Revolution] member, and two independents. Writer Eraclio Zepeda Ramos, a former PRD deputy, will hold the General Secretariat of Government; Jovani Zenteno, the Finance Secretariat; Pedro Rene Bodegas Valera of the PRI, the Agriculture and Livestock Secretariat; Froylan Esquinca, the Ecology and Forest Resources Secretariat; Pedro Gonzalez of the PRI, the Public Works and Communications Secretariat; Sonia Rincon Chanona, leader of the state teachers, the Education Secretariat; and Valdermar Rojas Lopez of PAN, the Health Secretariat.

Jacinto Arias will be secretary of Indian affairs; Luis Enrique Perez Mota, who is not a member of any party, will be agrarian development secretary; Guillermo Calderon, also an independent, will be economic development secretary; Mercedes Cerdio of the PRI will be tourist development secretary; Jorge Hernandez Aguilar, assistant director of DIARIO DE CHIAPAS, will be attorney general; and Juan Trinidad Palacios will be senior officer.

Enoch Araujo Sanchez of the PAN will be comptroller general; Mariana Herrera Diaz will be in charge of COPLADE [State Development Planning Committee]; Juan Bonifaz Trujillo will be director general of the ISSTECH [expansion unknown]; and Julio Ruiz Ferro, government representative in the Federal District.

Interviewed on Chiapas Situation

PA1012140094 Mexico City Radio ACIR Network in Spanish 0000 GMT 10 Dec 94

["Excerpt" of a telephone interview with Eduardo Robledo Rincon, governor of Chiapas State, in Tuxtla Gutierrez, by Flor Berenguer, Gustavo Lomelin, and Jose Carlos Robles in the Radio ACIR Network Studios in Mexico City on 9 December; from the "Evening News Panorama" newscast—recorded]

[FBIS Translated Text] [Balaguer] While we waited for your telephone call, we were analyzing the situation in Chiapas. There is something that concerns us. You have made a plea for harmony while you try to organize a pluralist cabinet, and you talk of a new constitution and in-depth electoral reform, but we find, however, an unflinching response from the Zapatist Army of National Liberation [EZLN] and the PRD [Party of the Democratic Revolution]. What do you expect from them?

[Robledo] I think democracy is the path toward peace. That is what Chiapas residents believed before 21 August. All Chiapas residents believe that to attain peace we had to express our freedom and opinion in a democracy. I personally will continue saying that it is through a political path, the path of dialogue, and the path of participation amid all of this, as well as amid the diversity of opinions, that we will have to find a final solution to achieve justice in our state.

I think that, in Chiapas, our diverse forms of life—all of our multi-ethnic, multi-lingual, multi-religious, and multi-regional manifestations—have been a misfortune up until now, but they must become an advantage. I believe that only in this way will it be possible to build a common house for all Chiapas residents. I do not believe in homogeneity. I think homogeneity of thought constitutes an absence of intelligence—an absence of thought itself. I think this is a fundamental moment in the life of Chiapas, a moment that began in January and has taught us a very painful lesson. The important thing is to be able to turn this moment into a major social victory for Chiapas and move us into the political vanguard of the country.

Although this may seem an exaggeration, I do not think it is. I think it is an opportunity for Chiapas residents, one we must take advantage of to leave behind our backwardness—the last place we hold in terms of economic and social development—and we need to take that major leap in political terms and, from there, we can create the social development with justice that Chiapas deserves.

[Robles] Governor, can I add a comment here? What will be your first action to attain peace—the peace we all hope for? Not only the people of Chiapas want peace, because now Chiapas has become a problem for us all—a pebble we all have in our shoe. Why? Because we know

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there is injustice. We know there could be a new outbreak of violence. No Mexican that takes pride in being a Mexican wants to see Mexican blood shed. That is the single most important thing. What will your first decision be, as governor, to begin this transition to peace? Moreover, do you know with whom you will negotiate?

[Robledo] The first thing we will do—and we will do it today—is to issue a call among all political forces, all organizations, and all political parties in Chiapas. Let me say something about these organizations. In Chiapas there are social organizations that are even stronger in presence and number than the political parties. I will summon them all to come together to begin a dialogue and lay the foundations for the three most important issues of the 12 that were listed yesterday.

The first of these issues is the task of laying the foundation for democratic change in Chiapas, beginning with a draft electoral law that will reassure all of the political parties and citizens of Chiapas that their opinions and aspirations have been heard. We must then create an electoral commission whose members and chairman are accepted by all of us as individuals who will ensure absolute neutrality and hold the elections scheduled for November in Chiapas.

We must head toward these elections with a set of rules on which all forces, not only the political parties, but absolutely all forces agree. All parties must be in total agreement on the structure and the absolute independence of the electoral committee's leadership. We must then move onto the election of a State Congress. This congress will be mandated to constitute a constituent—pardon the redundance—congress and proclaim a new constitution for Chiapas. It must be the foundation of a new social pact in Chiapas—a new coexistence for the people of Chiapas. The constitution must reorganize the public and political power structures and serve as the basis for coexistence of the people of Chiapas.

Second, we must encourage all Indian organizations, absolutely all of them, to sit down and discuss what must become the rule of law for all Chiapas Indians. We must sit down and start out by listening to the voices of the nine major ethnic groups we have here in Chiapas. We must open a wide-ranging debate about what this law must be in order for it to reestablish respect, dignity, and participation, as well as for this to become a broad debate about autonomy for the Indian population. We must then lay the groundwork and bring about what we have repeatedly said: If they are in fact one-third of the Chiapas population, they have the right to one- third participation in the political matters of the state.

Third, we need to set the foundations for farmers and peasants. We must sit down with the farmer and agrarian organizations. There is a difference that we must point out here. There are groups that have defended their own historic statements and fight for the basic Indian issues. There are also organizations that have fought for land issues for more than 20 years. We must sit down with all of these groups, absolutely all peasant organizations, to discuss the Law for Agrarian Justice and Land Development in Chiapas. If we fail to resolve Chiapas' land problems and continue to postpone dealing with essential issues, such as life, coexistence, development, and justice in Chiapas, we will be much less successful in resolving other problems.

[Lomelin] My name is Gustavo Lomelin, and I am also part of this interview. I want to ask you, Mr. Governor, whether Chiapas has now become a political laboratory in Mexico, because there are at least three indications that something very unusual and peculiar is going on in the state. On the one hand, you called for a constituent congress, and, on the other, the creation of a commission for the development and welfare of Chiapas was announced, which is something very peculiar for the federal government. Third, President Zedillo congratulated himself for Cuauhtemoc Cardenas' interest in visiting the zone of conflict and mediating with the EZLN. It seems that very strange events are going on there, thereby making Chiapas a true political laboratory in Mexico. What do you have to say about this, Mr. Governor?

[Robledo] I believe that the events we have endured in Chiapas since 1 January 1994 have not been previously experienced. In turn, they require untested responses. I do not agree with the phrase political laboratory; I would like to use another term. I want to take advantage of this opportunity to—pardon me, this is not a common expression in Chiapas—become the country's political vanguard. I believe this is an exceptional opportunity. The costs we have incurred so far this year have been very high for Chiapas—for the more than 3.2 million residents of Chiapas. We must take advantage of this opportunity to leap forward and begin a major democratic transition in Chiapas. If some people want to call it a laboratory, that is all right, but I would rather have them say we, the people of Chiapas, are indeed able to find our own way out and assist the democratic change we must make here.

[Berenguer] Mr. Robledo, my name is Flor Berenguer. You are definitely willing to negotiate with the EZLN; you have even pledged to resign if your resignation helps them lay down their weapons for good. Despite your pledge, however, Subcommander Marcos—and he appears to be the leader or spokesman here—has dismissed this possibility. What do you think the EZLN really wants? I know it is very difficult to know what others are thinking, but what do you think it wants now that we already have a pluralistic government and that we are expecting a new constitution for this political vanguard you mentioned before? Have you requested a profound electoral reform? Is there a willingness to achieve peace in the region and obtain the development that has been denied to Chiapas for so many years, centuries I would say? What do you think the EZLN wants?

[Robledo] I could not hear the last part of your question.

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[Berenguer] What do you think the EZLN wants?

[Robledo] I can tell what I want to keep doing, but I refuse to speculate on an issue as delicate as this one. I will keep insisting on finding a political solution. What do I want them to do? Well, I hope we could lay the foundations to find a political solution, and to do this together, taking advantage of the great amount of social energy they have been able to arouse in some regions of the state and merge it into the great transformation process needed in Chiapas.

[Berenguer] Mr. Robledo, Gustavo Lomelin wants to ask you a final...

[Robledo, interrupting] I can barely hear you.

[Berenguer] Mr. Robledo, our colleague Gustavo Lomelin wants to ask you a question in the last part of this interview you have kindly granted us.

[Robledo] Go ahead, Gustavo.

[Lomelin] Mr. Robledo, you did everything you could to assuage the opposing interests of your state. However, Bishop Samuel Ruiz has again warned about the risk of a civil war. Is there a risk of waging a civil war, Mr. Governor?

[Robledo] I believe that our efforts will always favor peace and obviously oppose war. The Chiapas people on 21 August... [pauses] Pardon me for referring to this event, but it is the clearest reference we have. Look, I believe that very few people in the world—I repeat: very few people in the world—have cast their votes in the middle of a cease-fire without shedding a single drop of blood. This was the situation here in Chiapas on 21 August. More than 1 million people in Chiapas went out and decided their future, and they did so threatened, afraid, and under all other strains linked to the cease-fire. They voted one way or another, for one choice or another, and for one party or another. I believe this is how society expressed itself. It said: No to war. Those who are on one side or the other... [recording ends abruptly with Robledo in mid-sentence]

Chiapas Mediator Warns of Danger of Parallel Governments

PA1012193594 Mexico City LA JORNADA in Spanish 9 Dec 94 p 7

[Report by Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 8 Dec—Samuel Ruiz Garcia, mediator in the Chiapas conflict, says the situation in the state is serious because the installation of two governments "marks the beginning of a civil war."

Nevertheless, Bishop Ruiz said a confrontation can still be averted by employing wisdom instead of either side's determination to continue with their plans. "Considerable flexibility is required because these are difficult times," he reiterated.

In a brief statement following the Immaculate Conception mass at Altejar Temple in San Cristobal de las Casas, Ruiz Garcia said the members of the National Mediation Commission (Conai) are "profoundly saddened" by the incoming and outgoing governments' failure to listen to the state's problems, which could have averted the current crisis.

"The situation is serious because right now in Chiapas there may be two states, two governors, two administrations, and two armies. This is the beginning of a civil war," the prelate underscored.

Nevertheless, he explained that despite this situation, and according to information obtained up until this afternoon, on Thursday no serious incidents were reported, although Indians and peasants had planned to stage several demonstrations.

Conai will hold an urgent meeting today, Friday, in this city to consider ways to prevent a resumption of hostilities.

The meeting will be held after midday at the diocese's offices with all members of Conai in attendance, except for Eraclio Zepeda Ramos, who has been appointed secretary general of government by Eduardo Robledo Rincon.

It is expected that, after tomorrow's [as published] meeting, Conai will issue a communique to confirm Eraclio Zepeda's separation from Conai, which was formed after Samuel Ruiz disclosed his initiative for a new dialogue between the federal government and the Zapatist Army of National Liberation on 13 October.

State Prosecutor's Office To Charge Instigators of Clash

PA1112183794 Mexico City XEW Television Network in Spanish 0430 GMT 10 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The Prosecutor General's Office in Mexico State will file charges against the instigators of a clash this morning in Ocoyoacac Municipality between militants of the PRD [Party of the Democratic Revolution] and policemen during which 16 policemen were injured:

[Begin Cesar Camaco, not further identified, recording] The police arrested after the attack five individuals who were caught red-handed and who are under custody. [end recording]

Armed with sticks, stones, and homemade bombs, PRD militants who were trying to occupy the city hall in Ocoyoacac attacked approximately 300 Mexico State

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riot policemen who were guarding the building. The demonstrators smashed windows and damaged a municipal patrol car.

The incident occurred after the city hall was peacefully vacated by PRD members who occupied the building during the past year due to postelectoral problems.

Secretariats Disclose Prominent Appointments

PA1012004194 Mexico City REFORMA in Spanish 6 Dec 94 p 6A

[FBIS Translated Text] Several institutions yesterday disclosed a number of appointments. Following is a list of the most prominent appointments:

Secretariat of Government

In addition to the appointments of Beatriz Paredes at the Government Secretariat and Humberto Lira Mora at the Political Development Secretariat, the following people were appointed yesterday:
Fernando Agraz Rojas—Senior Officer
Rodolfo Lara Ponte—Domestic Comptroller (He was Conasupo [National Company for Basic Commodities] administrative director and worked for Secofi [Secretariat of Commerce and Industrial Development])
Jose Gomez De Leon—National Population Council secretary general
Andres Massieu Berlanga—Religious Affairs coordinator general (He was a member of the Commission for Educational Decentralization of the SEP [Secretariat of Public Education])
Luis Maldonado Vanegas—Government director general
Agustin Basave—Political Development director. A member of the commission in charge of investigating the assassination of Luis Donaldo Colosio
Jorge Tello Peon—His post at the National Investigation and Security Directorate General was approved.

Secretariat of National Defense
General Jaime Contreras—National Defense under secretary. He is a division general and member of the Presidential General Staff.
Gen. Tito Valencia Ortiz—Army and Air Force inspector general
Gen. Juan Heriberto Salinas Altes—National Defense chief of staff

Secretariat of Foreign Relations
Manuel Tello Macias—Mexican permanent representative before the UN Assembly. He held this post prior to being appointed Foreign Relations secretary, which is the post he held after Manuel Camacho Solis was appointed commissioner for peace and reconciliation in Chiapas.

Secretariat of Agriculture and Hydraulic Resources
Oscar Gonzalez Rodriguez—Forestry and Wildlife under secretary. He was Fisheries Organization and Administration under secretary and Pemex [Mexican Petroleum] Refinery Distribution subdirector.
Jaime De la Mora—Planning under secretary
Guillermo Guerrero Villalobos—Head of the Federal Water Commission

Secretariat of Education and Culture
Luis Llorens Baez—Superior and Scientific Investigation under secretary
Fidel Herrera Beltran—Coordinator general of the SEP state representations
Rafael Tovar y De Teresa—He was approved at the Conaculta [expansion unknown]
Maria Teresa Franco—She was approved at the National Anthropology and History Institute directorate.
Gerardo Estrada—He was approved at the INBA [National Fine Arts Institute] directorate.

Comptroller General's Office
Gustavo Ponce Melendez—Under secretary A
Ismael Gomez Gordillo—Under secretary B

Secretariat of Health
Mario Luis Fuentes Alcala—National System for Comprehensive Family Development (DIF) director. When he took office, he pledged to keep decentralizing the institution.

Secretariat of Fisheries
Carlos Camacho Gaes—Fisheries Development under secretary. He was Foreign Investment director general at the Secofi.
Agustin Gasca Plego—Federal Delegations coordinator.

Zedillo Appoints Agrarian, Industrial Development Officials

PA0912135994 Mexico City REFORMA in Spanish 7 Dec 94 p 7A

[FBIS Translated Text] President Ernesto Zedillo yesterday made a number of appointments, the most prominent of which were the appointments of Emilio Gamboa Patron, Dante Delgado Renauro, and Francisco Labastida Ochoa. Following is a list of the main appointments:

Secretariat of Agrarian Reform
Gonzalo Armienta—Agrarian affairs under secretary
Julieta Guevara—Agrarian organization and development under secretary
Dante Delgado Renauro—Agrarian prosecutor. He was the organization and propaganda secretary of the CEN [National Executive Committee] of the PRI [Institutional Revolutionary Party] until 3 December and also has served as Mexican Ambassador to Italy and Veracruz acting governor.

Secretariat of Finance and Public Credit
Emilio Gamboa Patron—National Lottery. He was communications secretary and IMSS [Mexican Social Security Institute] director. He began his political career as Miguel De la Madrid's private secretary.

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Eduardo Fernandez Garcia—He was approved as National Banking Commission president and his post was extended to the National Stock Exchange.

Secretariat of Foreign Relations
Juan Rebolledo Goot—Bilateral affairs under secretary
Sergio Gonzalez Galvez—Multilateral affairs under secretary
Javier Trevino Cantu—International cooperation under secretary

Secretariat of Public Education
Carlos Mancera Corcuera—Planning and coordination under secretary

Secretariat of Commerce and Industrial Development
Jaime Zabludovsky Kuper—International trade negotiations under secretary
Decio De Maria Serrano—Foreign trade and investigation under secretary
Raul Ramos Tercero—Industries under secretary
Alejandro De la Pena—Mexican permanent representative to GATT
Fernando Lerdo De Tejada—Federal consumers prosecutor
Eugenio Carrion Rodriguez—He was approved as domestic trade under secretary.

Secretariat of Communications and Transportation
Manuel Rodriguez Morales—Infrastructure under secretary
Aaron Dychter—Transportation under secretary
Martin Werner—Communications and technological development under secretary
Guillermo Barnes—Ports and merchant marine coordinator
Jaime Corredor Esnaola—National airport and auxiliary services director general. He was ports director and international bank director general.
Francisco Labastida Ochoa—Federal toll highways and bridges and related services director general. He was the Mexican ambassador to Portugal after serving as Sinaloa governor. He was also mines and parastate industries secretary at the beginning of the De la Madrid term.

Zedillo Confirms More Appointments

PA1112044494 Mexico City XEW Television Network in Spanish 0430 GMT 9 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] President Zedillo confirmed the following appointments today:

Carlos M. Jarque—president of the National Institute of Statistics, Geography, and Information Science of the Finance Secretariat.

Jesus Reyes Heroles [a "distinguished" economist, intellectual, and militant PRI member; appointed president of the PRI's National Ideology Commission on 11 Aug 1994]—general director of Banobras [National Bank of Public Works and Services, Corp.]

Oscar Terroba—general director of Banrural [National Rural Credit Bank].

Saul Trejo—director of the Interior Commerce Bank.

(Enrique Dilatela)—director of the Mexican Foreign Commerce Bank.

Andres Trevino—director of the National Sugar Finance Bank [Financiera Nacional Azucarera].

Admiral (Felix Jaime Perez y Elias)—senior official of the Navy Secretariat.

Javier Bonilla—director of Conasupo [National Company For Basic Commodities]

The PRI [Institutional Revolutionary Party] also announced appointments today:

Enrique Jackson—director of the Change 21 Foundation.

Arnoldo Ochoa Gonzalez—secretary of the Regional Coordination Office.

Tristan Canales—secretary of the Electoral Action Office.

Alejandro Carrillo Castro—secretary of the International Affairs Office.

Another appointment but this one in the private sector is Manuel Alonso who started working as general director of LA PRENSA newspaper today. Alonso is a former National Lottery director and former Mexican consul in New York, among others.

Government Announces New Appointments

PA1112184294 Mexico City XEW Television Network in Spanish 0430 GMT 10 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The government has announced new appointments:

Arturo Nunez Jimenez was appointed general director of the Institute of the National Fund for Workers Housing, Infonavit. Nunez Jimenez has resigned as general director of the Federal Electoral Institute in order to assume his new position.

Luis de Pablo Cerna was appointed and sworn in as general director of the National Railways of Mexico.

Sigfrido Paz Paredes was confirmed as deputy secretary of domestic tourism, while Joaquin Gonzalez Castro was appointed chief tourism officer.

Jack Rogosinsky is the new general director of the National Tourism Fund, Fonatur.

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Diodoro Guerra Rodriguez was appointed general director of the National Polytechnical Institute.

Manuel Galan Jimenez was confirmed as deputy prosecutor of preliminary investigations of the Attorney General's Office.

Juan Pablo de Tavira is the new director of the Federal Judicial Police.

Zedillo Sends Congress Bill on Public Administration

PA1112165394 Mexico City XEW Television Network in Spanish 0430 GMT 10 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo sent to the Congress of the Union today a bill containing amendments and additions to the Basic Law of Public Administration. The bill also proposes reforms to the Social Security Law so as to strengthen its responsibility and to decentralize its activities.

The Secretariat of Social Development will be strengthened in order to fight poverty and will be responsible for activities of the Secretariat of Commerce and Industrial Development, which is tied to milk industries, the marketing of staples, and tortilla subsidies.

The name of the Secretariat of the Comptroller General will be changed to the Secretariat of the Comptroller General and Administrative Modernization and will take over duties from the Secretariat of Social Development on real estate and from the Secretariat of Finance on the regulation of acquisitions, rentals, services, and public work projects. Its objectives will be the achievement of decentralization and administrative simplification, control and supervision to prevent corruption, and the implementation of government plans with discipline, frugality, and rationality.

Other changes will be made at the Secretariat of Fisheries, whose name will be the Secretariat of the Environment, Natural Resources, and Fisheries. Its objectives will be to guarantee economic growth based on improving the wellbeing of families, preserving the environment, and conserving natural resources.

The Secretariat of Agriculture and Hydraulic Resources will change its name to the Secretariat of Agriculture, Livestock, and Rural Development, the main objectives of which will be promoting overall rural development, encouraging production, and coordinating the Conasupo [National Company for Basic Commodities].

The Secretariat of Energy, Mines, and Parastate Industries will become the Secretariat of Energy in order to strengthen its functions.

Zedillo Sends Economic Program to Chamber of Deputies

PA1112045094 Mexico City XEW Television Network in Spanish 0430 GMT 9 Dec 94

[From the "24 Hours" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] President Ernesto Zedillo signed the 1995 revenue bill, the expense budget for the federation, and the economic program at the Los Pinos presidential residence tonight. Mr. Jaime Serra Puche, secretary of finance and public credit, will present those documents to the Chamber of Deputies on Friday.

PRI [Institutional Revolutionary Party] Deputy Francisco Suarez Davila, president of the Chamber's Finance Commission, said:

[Suarez Davila] "It is a budget, an income law, and an economic policy program that, in general, will boost optimism."

He added:

[Suarez Davila] "There is really no increase. It is really the opposite."

Suarez Davila reported good news for businessmen as a 2-percent tax reduction has been proposed.

[Suarez Davila] "So, it has been proposed that the tax on assets be reduced to 1.8 percent."

On ending, he stated:

[Suarez Davila] "We will study the details but there is a tax reduction for the groups with lower wages."

The finance secretary will appear at the Chamber of Deputies to explain the initiatives in mid-December.

Finance Secretary Explains 1995 Economic Package

PA1112165994 Mexico City XEW Television Network in Spanish 0430 GMT 10 Dec 94

[Interview with Jaime Serra Puche, the finance and public credit secretary, in Mexico City by Jacobo Zabludovsky in Miami, Florida; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Could you tell us about the economic package you presented to the Chamber of Deputies today?

[Serra] The president sent three documents of an economic package to the Chamber of Deputies today. The first is a document entitled Criteria for General Economic Policies, which is the framework describing 1995 economic policies. The second is dubbed the Revenue Law, which outlines the criteria and formulas to set taxes, how taxes are paid, and how they will be collected in 1995. The third is the budget, which determines how the expenditures will be used during 1995. The most important characteristic of this program is that the federation budget is completely balanced; that is, there will be no deficit. Income equals expenses.

[Zabludovsky] What are the essential elements of Mexico's 1995 economic policies?

[Serra] The basic purpose behind President Zedillo's economic policies is to improve family wellbeing. The

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economy must have the capability to generate permanent jobs in order for this goal to take place. What does permanent jobs mean? Lasting jobs, long-term jobs. The Mexican economy must grow in a stable manner in order to create permanent jobs. We need stable growth. Jobs that are created are not permanent when there is instability, as it occurred to us in the past; they come and go. That reason is why Mexican economic policies for 1995 must include stable growth.

The aim is a yearly growth of 4 percent and a yearly inflation rate of only 4 percent; in other words, a gross national product of 4 percent and a 4-percent inflation rate. It is essential that the government not overspend, that the government not incur a deficit in order to accomplish this stable growth. Any government spending must come from revenue, not from financing, which causes inflation. The basic characteristic is stable growth to generate jobs so that we may increase the wellbeing of Mexican families; this requires a balanced budget, fiscal discipline, and order in the economy.

[Zabludovsky] What benefits will workers and owners of small and micro industries obtain from the new economic framework?

[Serra] Regarding the worker, there is a definite measure that favors them. All wage earners who earn up to two minimum wages will receive what is called a fiscal credit; in other words, a tax return. The idea is that their available income may grow 3 percent, which will be added to the yearly salary reviews that take place in the various Mexican enterprises, in addition to productivity bonuses, which, according to the pact salary scale, will take place throughout the year.

There is a series of simplified incentive measures for small businesses. I will explain two very important ones. First, small- and medium-sized Mexican businesses will be allowed to deduct costs for investments in technology, the environment, and, most importantly, job training. Second, the fiscal system will be simplified to allow virtually the entire country's small- and medium-sized businesses to pay taxes four times a year instead of 12 times a year. They needed to pay taxes on a monthly basis previously, but they will only have to pay them each quarter now. This measure is an important simplification for businesses.

Secofi Head Urges Increased Productivity, Competitiveness

PA0912030694 Mexico City LA JORNADA in Spanish 6 Dec 94 p 43

[Report by Patricia Munoz and Roberto Gonzalez]

[FBIS Translated Text] Herminio Blanco Mendoza, secretary of commerce and industrial development, asked industrialists to redouble their efforts to increase jobs, wages, and production and said that the new government will continue its efforts to stabilize prices, deregulate and simplify the administrative system, and open new markets for Mexican exports.

Blanco Mendoza made the above statements while attending the National Industrialists Convention as the head of Secofi [Commerce and Industrial Development Secretariat] for the first time. The guild presented proposals for 52 changes to the new sectorial policy, and the official commented positively on them.

At the forum, Blanco Mendoza disclosed that new industrial promotion mechanisms will be created during the six-year period that has just begun. The new mechanisms will not be subsidies but "fiscally sound benefits" compatible with our international obligations; for example, the World Trade Organization, which will begin operating in January 1995, and the free trade agreements Mexico has signed.

The competitiveness of national industries will depend on what is done in terms of deregulation in the coming months and years. Thus, this undertaking will continue during the current six-year administration, he said.

On the same subject, Blanco Mendoza said deregulation will be implemented not only at the federal level, but agreements will also be reached with governors and municipal heads, because it is at these levels that industry encounters obstacles to competitiveness and the improvement of its operations.

The decision to evaluate, together with industrial representatives, and to improve the sectorial programs established by the Pact was also disclosed at the meeting.

Just as we worked hard with "a team outlook and spirit" to reach the agreements that led us to the Pact, the Commerce and Industrial Development secretary asserted, we must now work to improve and strengthen the mechanisms used by industry and exporters and importers.

President Ernesto Zedillo has given precise instructions to make strong efforts to implement mechanisms that will boost the small and intermediate industries, because those sectors are facing obstacles that are holding them back and that must be resolved, the secretary said.

We established the bases for a healthy, sustained economic and productive development between 1988 and 1994, and macroeconomic stability, especially price stability, was achieved. This administration will continue those efforts because they are fundamental for our industry to be competitive.

In order to take advantage of the commercial opening, a special effort must also be exerted to take advantage of the commercial liberalization negotiated by the Mexican Government. Thus the government will also begin a wide campaign to publicize the agreements, to promote the great opportunities they afford, and to encourage their advantageous use.

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Blanco Mendoza promised that Secofi will promote competitiveness and growth in the productive sector. In exchange, he asked "for only one thing:" that industrialists redouble their efforts to increase production, jobs, and Mexicans' wages.

Canacintra Submits Industrial Proposals

PA0912121094 Mexico City LA JORNADA in Spanish 6 Dec 94 p 41

[Report by Patricia Munoz Rios and Roberto Gonzalez Amador]

[FBIS Translated Text] The National Association of Manufacturers (Canacintra) yesterday submitted to the government a document outlining 52 industrial policy proposals and demanding a strategy for effective and timely financing, "because the cost of money and the difficulties obtaining are still barriers for many companies."

Within the framework of the National Industrialists Convention, the manufacturers' organization submitted to Commerce Secretary Herminio Blanco the results of a national survey of its members. The survey revealed the need to design a long-term industrial policy that will outlast the six-year ceilings and which will "earnestly" promote private investment, because that is the main engine of economic growth.

The document suggested that each of the sectors' consensus programs implemented so far be analyzed and adjusted if necessary.

Canacintra referred to the financing issue, saying it is time for the companies to have competitive credits and for the state to create a fund with resources from public and financial sectors and from large companies to ensure that the recapitalization of mini- and small-scale industries be promoted by temporary risk capital contributions.

The Canacintra proposals, which were divided into eight categories, call for the return to higher growth rates to encourage a sustained increase in revenues and the number of jobs; to make the microeconomic revolution a reality; to guarantee a balance of economic growth, social improvement, and environmental protection; and to move toward the recapitalization of industrial activities, especially those of intermediate, small, and microbusinesses.

Canacintra also proposed measures to achieve more balanced regional development, to promote an increase in and the efficient and timely allocation of domestic savings to finance national economic growth, to close the gap on abject poverty, and to create viable and effective alternatives for facing the growth of the informal economic sector.

Among the tools the manufacturing sector believes must be included in this industrial strategy, we have an analysis of each of the current consensus programs to evaluate the reliability of the agreed upon instruments, the effectiveness of the actions taken, and the adjustments these actions may require.

As far as financial matters are concerned, Canacintra noted the need for an effective and timely credit strategy and proposed that from now on financial subsidies be granted based more on the economic or social viability of the project than on the guarantees requested by banks. The manufacturing organization added that it is time to have competitive credits similar to those that commercial associates have. That is why it asked that the reference rate for credits granted by the development banks be the lowest rate on the market.

The document also stated that only a few companies and products stand out in foreign trade, therefore it is necessary to move toward commercial diversification in this field. The document suggests that financing and support for companies with exporting potential be increased and that the Foreign Trade Commission, made up of the Bank of Mexico and government institutions, receive a significant contribution from private sector representatives to implement emergency and preventive measures and coordinating mechanisms in compliance with laws on weights, measures, and guidelines.

On competitiveness, the Canacintra document stated that it is essential to match the public sector's prices, tariffs, and quality of goods and services with those of the international sector. The goods and services provided by the private sector (Telmex [Mexican Telephone System], highways, and ports, among others) must also comply with this rule, because the competitiveness of local companies and products depend upon it.

Canacintra added that too many regulations trigger high administrative costs, hinder competitiveness, and allow the emergence of monopolies. That is why it requested that the administrative simplification carried out at the federal level be taken to the state and municipal levels and that regulatory programs for the production units already in operation be promoted.

Among other aspects, industrialists also demanded fiscal support to create research and technical development institutes, which will be supported by systems of risks shared by businesses and researchers. In addition, they demanded that systems of fiscal incentives be incorporated into research and experimental development.

Attorney General on Appointment, Issues

PA0812184994 Mexico City Radio ACIR Network in Spanish 0000 GMT 6 Dec 94

[Interview with Attorney General Antonio Fernando Lozano Gracia by anchorman Jose Cardenas in Mexico City on 5 December; from the "Morning News Panorama" newscast—recorded]

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[FBIS Translated Text] [Cardenas] We are bewildered by this appointment, primarily because it was made to a PAN [National Action Party] member who will now be heading the Attorney General's Office, which is one of the most demanding positions in public administration. [Words indistinct].

[Lozano] Actually, no. I believe it is important to understand the appointment itself and the vote of confidence it implies. I also believe we have an opportunity to accomplish something useful, and taking the risk is worthwhile.

[Cardenas] As a lawyer specifically, as a [word indistinct], what does it mean to you and, of course, your party to have such a tremendous responsibility on your back? Not only do you have to respond to the president of the republic but also to the other PAN activists.

[Lozano] I believe, as you yourself said, it is a tremendous responsibility, and my acceptance is consistent with pronouncements the party has been making for the past several years now; in other words, the party had determined it would allow its members to join other party representations in forming a pluralist government [words indistinct]. The PAN also had stated the party [words indistinct] to me as an opposition member to adopt decisions that would provide some degree of balance to the authorities. In this respect, we mentioned the Comptroller General's Office, the Attorney General's Office, and the National Human Rights Commission; therefore, I believe having accepted the office is consistent.

You must keep in mind that the president made an offer to this speaker, and the offer was immediately consulted, because the party's internal guidelines force us to proceed in this manner. Not only did I receive my party's consent but also tremendous support.

My responsibility is to the president as well as the Mexican people, regardless of the political party they may belong, or if they are apolitical. I am answerable to all Mexicans, and this point is what will guide my decisions.

[Cardenas] Yet there are risks involved, are there not? If you were to fail due to circumstances beyond your control, it is not only Antonio Lozano Gracio who will have failed but also the PAN. All of this could then be interpreted as a political maneuver or a PAN political sell-off.

[Lozano] I am aware there are risks involved; nevertheless, I also believe every human being, especially those of us who are involved in political activities and committed to others, must be prepared to assume risks. I have assumed risks during my entire political career, within my party, as well as in Mexico's political scene. This risk is just one more, albeit a bigger one; yet it must be confronted just as any other.

Anyway, the only thing I can say is that when I am confronted by possible failure or even when I have made a mistake, it will be better to acknowledge it. Not only will this attitude be healthy but also a sign of change. We all are aware of the fact a mistake can cause a resignation as well as other problems, but I believe the best policy is to face it head on.

[Cardenas] Do you have the president's support?

[Lozano] Absolutely. He has been quite clear with regard to his support, and I believe [words indistinct] implies it. I received his support during several conversations we have held as well as in the measures we have discussed. I am convinced of his backing.

[Cardenas] [Words indistinct] are you going to sweep the steps of the Attorney General's Office from the top down or from the bottom up? I imagine there is much cleaning up to do over there.

[Lozano] Yes, currently [words indistinct] from the top down. Nevertheless, I have been insisting—I have tried to be very clear on this issue—that a decision cannot be judged with one label before [words indistinct] that decision [words indistinct] is unfair. If we accept, as some are going around saying, that everything is wrong, we would be hurting very deeply people who have devoted their abilities, their honesty, and their services to this institution for many years. Now it [words indistinct] treat all the same. I believe that careful assessment must be made for an institution so important to the nation and so sensitive to public opinion. A proposal for change must be submitted that will assure the Mexican people that this institution works for their benefit. Nevertheless, I do not accept the idea that a clean sweep of the institution must be done, for given the reasons I have stated.

In these first few hours that I have been heading the institution, getting to know its complexity and the diversity of its offices and functions, I have been encouraged in being able to confirm my notion that there are offices here that work marvelously well. Modifications must be made so they will function even better, establishing better coordination with other offices. Of course, there are problems, which might involve corruption or actions aimed at obtaining power, economic power [words indistinct] the struggle against drug trafficking. We cannot deny that, but one cannot make a blanket statement about the entire institution.

[Cardenas] Mr. Attorney General, you have three or four cases pending of concern to society that have not been resolved for several months. I am referring to the assassinations of Guadalajara Cardinal Juan Jesus Posadas Ocampo, Luis Donaldo Colosio, and Jose Francisco Ruiz Massieu. Some other serious cases remain unsolved, like the kidnappings of [words indistinct] and Alfredo Harp. Are you going to work on these cases, since you say you have the means to satisfy the citizens' demands for replies to all this?

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[Lozano] First, there is political willingness, resolve, and interest on the part of the president so these cases, which are a focus of public attention, will be adequately resolved. I think everyone understands well that these are cases that I am reopening and that some have already been the object of lengthy investigations. What must be clear is that we will act openly and according to the law. I am discussing with the president the best way to continue these cases. I expect that this week or next week at the latest, we will disclose the measures we will be implementing, especially with regard to the assassinations of Luis Donaldo Colosio and Jose Francisco Ruiz Massieu. As for the investigations of Cardinal Posadas' assassination, we will obviously continue them and follow up on the processes that have been begun. The rest falls under the purview of the Federal District Attorney General's Office. I am referring to the kidnapping cases.

[Cardenas] What about the charges of infiltration of drug trafficking in politics?

[Lozano] We will of course also investigate any confidential information or we will begin investigations based on reports indicating crimes have been committed. The element that I have to answer the great expectations created by my appointment is the certainty that I will act openly and in keeping with the law.

[Cardenas] Are you afraid of political pressure as you delve further into investigations?

[Lozano] I am not afraid of that pressure. My position as an independent politician and understanding my position now in relation to the executive branch gives me a different perspective from those who, belonging to a party or having been a public official for a long time, have a [words indistinct] based on those rules. I am not afraid of those pressures because [words indistinct] things cannot be the same for me, not because I am more virtuous or because I have more support, but simply because I have always fought what is established in order to try to improve it.

[Cardenas] Because you have no commitments?

[Lozano] That is right. I do not have any commitment other than to cooperate with the president of the republic and all the people of Mexico. That includes everyone, those who participate in political parties and those who do not. I am committed to all the people of Mexico.

[Cardenas] There must be a change in imparting justice?

[Lozano] Yes, in imparting justice. This is very important because if we are able to, as I seek, to improve the administration of justice, perhaps there would be no problem in imparting justice. This is a problem that should be seen as a whole, the administration and imparting of justice, and beyond that, public security. I think the president of the republic is very aware of this and favors submitting initiatives to attack these problems.

We will undertake a calm analysis of the administration of justice because, I insist, I would not take any measure that might be irrational or that might be based on a desire to have society think that I am acting rapidly, because any measure taken without adequate reflection might have serious consequences [words indistinct]. That is why I am giving myself time, let us say until January, to present a proposal for general guidelines for changes, not a proposal for changes but the beginning of this process That is why your question about the reform of the administration of justice is important because it falls within the problem of justice in general and public security.

[Cardenas] Have you thought who will be working with you?

[Lozano] Yes, I have made some appointments and have notified the president of them. Perhaps they will be (?announced) today.

[Cardenas] Sir, you are going to work in some offices with bulletproof doors and windows. Are you afraid of being killed?

[Lozano] [Words indistinct] say no, I am not afraid of being killed. In view of the challenge that this job entails, I think it is worthwhile despite all the risks.

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El Salvador

Human Rights Commission Chief Cited on PNC Abuses

PA1112211994 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Dec 94

[Report by Douglas Macias; from the "YSU Radio News" newscast]

[FBIS Translated Text] Each and every 10 December, the International Day of the Universal Human Rights Declaration is observed. This was not possible in this country until the peace agreements were signed and until the human rights division of ONUSAL [UN Observers for El Salvador], which will remain in El Salvador until April 1995, and the Human Rights Ombudsman's Office, the first organization of this sort in the nation, were created. However, the nongovernmental Human Rights Commission [CDH] believes the two organizations created to ensure compliance and guarantee respect for human rights have not fully accomplished their original goal.

Celia Medrano, chief of the nongovernmental CDH, said disrespect for human dignity continues in the country despite the achievements that have been made.

[Begin Medrano recording] The CDH would like to briefly assess the human rights situation in El Salvador, considering tomorrow is 10 December—International Day of the Universal Human Rights Declaration. El Salvador was among the first countries to sign this universal declaration, and it is very committed to guaranteeing the rights outlined and summarized in the Universal Human Rights Declaration.

In light of this, I believe it is important to point out a number of deficiencies regarding the state's responsibilities in securing respect for human rights in terms of their integrity and [word indistinct] in El Salvador. We believe it is alarming that 108 cases of human rights violations were reported to our institution during the third quarter of 1994. This fact was detailed in our most recent report.

We would like to specifically convey our organization's concern over the weakness and deterioration of those mechanisms intended to guarantee respect for human rights, particularly, the deficiencies of those mechanisms that resulted from the peace agreements—namely, the Human Rights Ombudsman's Office and the National Civilian Police [PNC]. It is alarming that 28 out of the 108 violations reported were committed with the direct and confirmed responsibility of PNC officers. The fact that two years after its creation the Human Rights Ombudsman's Office is still unable to fully implement its basic function of defending and guaranteeing the human rights of the people is lamentable. [end recording]

Medrano agreed with the Human Rights Ombudsman's Office and ONUSAL that in recent months a great many human rights violations have been perpetrated by officers of the PNC—an organization that has been accused of undervaluing its civilian nature. The nongovernmental CDH views the continued existence of clandestine groups, which are reportedly still committing human rights abuses, constitutes another negative sign. Meanwhile, the government's ratification of the Inter-American Convention Against Torture was viewed as a positive sign.

FMLN Leader on ERP Decision To Leave Organization

PA0912204694 San Salvador Canal Doce Television in Spanish 1230 GMT 7 Dec 94

[Report by Mario Jovel; from the "Up-to-Date" newscast]

[FBIS Translated Text] Jorge Shafik Handal, coordinator of the Farabundo Marti National Liberation Front [FMLN], downplayed the recent announcement by the group headed by Joaquin Villalobos, and he pointed out that, according to party statutes, issues related to dissolution of the FMLN cannot be discussed simply because one of the members or the organization demands it.

Handal also said the acronym ERP is included in the FMLN's founding documents as the People's Revolutionary Army, and not the People's Revitalization Expression.

The FMLN coordinator said he was not surprised by the ERP's announcement to separate from the FMLN, because the decision had been expected ever since the Legislative Assembly was installed.

Nevertheless, Handal pointed out that the FMLN's dissolution should not be debated simply because the ERP has decided to leave, and he added that, because the name is included in the statutes, the issue comprises more than a mere political agreement.

[Begin Handal recording] It is being said that this is a special convention called expressly for such a purpose, with three-fourths of the convention members favoring dissolution. They do not refer to the participating members, but just to the convention members whom the statute... [sentence incomplete as heard] [end recording]

Handal said the ERP's intention to discuss who is entitled to the party's legacy, emblems, colors, and international representation is a [word indistinct] by the people led by Joaquin Villalobos.

[Begin Handal recording] If, as they say, the FMLN is not internationally accepted as an electoral instrument, which is the reason why they are forming another party, and if they are afraid of the FMLN, then why should they worry if we decide to preserve our symbols, flags, or acronym? [end recording]

Handal noted that the Democratic Trend [Tendencia Democratica]—a major faction within the ERP—has

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decided to remain within the FMLN, which invalidates the argument that the ERP represents all of those fighters who struggled and shed blood. In this respect, Handal disclosed that the ERP should not be perceived as the mother organization of the FMLN.

[Begin Handal recording] By the way, no [words indistinct] to the ERP, and nothing is said about the Party of the Salvadoran Revolution-People's Revitalizing Expression, which was their original name. [end recording]

Likewise, he said the ERP's representation in the assembly will have to remain independent, adding that, in any case, the decision belongs exclusively to the Supreme Electoral Tribunal, considering the ERP has not yet been recognized as a political party.

Defense Minister Views Visit to Chile, Paraguay

PA1012030594 San Salvador TSC Television Network in Spanish 1230 GMT 7 Dec 94

[Report on "exclusive" interview with Defense Minister Humberto Corado Figueroa by Milagros Vallecios upon returning from Chile and Paraguay on 6 December; from the "TCS News" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] [Vallecios] Defense Minister General Humberto Corado Figueroa returned to El Salvador yesterday after visiting two South American countries. In an exclusive interview for "TCS News," Corado said that his stay in both Chile and Paraguay was positive.

[Corado] "We were on an official visit to Chile and Paraguay, as the Salvadoran Armed Forces have had many cooperation programs in the past with the military institutions in those countries. We are trying to renew those agreements in order to continue with the modernization process in which we are currently engaged, which we believe will greatly benefit the Armed Forces, which in turn will be able to serve the country better."

[Vallencios] Corado said that during his visit to Chile an important agreement was signed by which that nation will cooperate with the Salvadoran Armed Forces in the educational and organizational areas.

[Corado] "The Chilean Army is a modern and well-organized institution, which can definitely help us in those fields. We want to improve our educational system, starting with the initial training to the specialization of officers. We will also explore some programs related to improving the organization and functioning of the Defense Ministry and the Joint Chiefs of Staff."

[Vallencios] Corado Figueroa said that a delegation from the Chilean Armed Forces will visit our country in January to implement the agreement.

[Corado] "Chile will send a military mission in January 1995, which will remain here two years. We have done this in the past. It is not new for us to have high officers working closely with us."

[Vallencios] Corado said these agreements are part of the relations between the Salvadoran Armed Forces and other Latin American military institutions aimed at exchanging experiences that can contribute to the transformation process taking place in the institution in view of the country's new reality.

Poll Surveys Public Views on Corruption

95P20241A San Salvador EL SALVADOR PROCESO in English 2 Nov 94

[Published by the Central American University's Center for Information, Documentation, and Research Support; received via Internet: CENTAM-L]

[Text] The University Public Opinion Institute (IUDOP) of the "Jose Simeon Canas" Central American University (UCA) conducted a survey between October 15 and 22 of this year, with the goal of finding out "Salvadorans' opinions on the problem of corruption in public administration or in the government." The survey contained a valid sampling of 1,226 adults, both urban and rural, in 10 of the nation's 14 departments. The sampling was distributed proportionately among departments, social sectors, age groups and gender, with a margin of error of +/-4 percent.

The figures collected by the survey show that there is an almost unanimously shared opinion (94.3 percent) that corruption in the government is currently a serious problem; only 5.7 percent are not particularly interested in the issue.

Furthermore, almost half of those surveyed (49.3 percent) feel that little progress has been made in the war on corruption during the Calderon Sol administration; 23.1 percent feel that some progress has been made, while 19.5 percent feel there have been important improvements, and 8.2 percent do not know or would not say.

To the question, "Do you think the current government is truly interested in fighting corruption at all levels, or only among a certain level of public employees and officials?", 49.1 percent agree with the former, while 26.9 percent feel that corruption is being addressed at one level only, 2.5 percent said it was not being addressed at all, and the remaining 21.5 percent claimed not to know. Those who feel that corruption is only being addressed at one level mentioned, among others: public employees, top officials, the convenient scapegoats, or middle management.

The survey also sought to probe people's level of confidence in the work of the Auditing Bureau (whose job it is to inspect the accounts of officials who handle public funds) and the Attorney General's Office (in charge of investigating complaints of corruption). On the first of

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the two, 31.8 percent do not have much confidence in the Auditing Bureau's work, while 24.5 percent do. With regard to the Attorney General, 35.1 percent lack confidence in that office's work, while 24.4 percent say they have confidence.

Opinion was also sought on complaints of corruption and influence trading in public administration, particularly in the ministries of the Treasury and Agriculture, as well as in the national power company (CEL). With regard to the two ministries, 49.9 percent of those surveyed believe that the complaints of corruption against them are well-founded, while 24.1 percent say they are merely part of a slander campaign. In a similar fashion, 51.8 percent of those surveyed—over half—feel there is really corruption in CEL, while 21 percent said the charges are unfounded. It must be said that, if those surveyed are divided by social sector, the economically better-off population are more apt to believe that the charges of corruption are well-founded.

The survey revealed an interesting detail: although the majority of Salvadorans feel corruption is a serious problem, not all are particularly interested in the information on the issue which appears in the press, since 10.6 percent said they are not interested in hearing about corruption, 28.7 percent are somewhat interested, and less than half (48.3 percent) are very interested in hearing about corruption in the press.

With regard to those responsible for corruption in the government and public offices, 37 percent of Salvadorans feel the people are responsible, while 30 percent blame the authorities (president, ministers, legislators), 9.5 percent chiefly blame private enterprise, and 8.2 percent blame the public employees themselves.

To the question, "In your opinion, which government has been the most corrupt?", 28.5 percent answered the Christian Democratic administration [1984-1989], followed by 26.1 percent who feel the Cristiani government was the most corrupt; however, 16.8 percent said the problem is even greater in the current Calderon Sol administration, and 23.7 percent declined to comment.

With all of the above, 46.7 percent of Salvadorans believe that the charges of misappropriation of State resources could seriously harm the reputation of the ARENA [Nationalist Republican Alliance] party, 18.2 percent believe it could be somewhat harmed, 10 percent feel they will have little effect, and 11 percent claim the charges will have no harmful effect on the party.

In conclusion, it is worth mentioning that 42.2 percent of the Salvadoran people feel that nothing will be resolved, while 37.2 percent are confident that there will be concrete results in the current investigation, and 20.6 percent did not know. These figures are entirely consistent with the lack of confidence many citizens feel in the capabilities of the two State organs in charge of holding public officials accountable.

Summary of opinions on corruption	Agree (percent)
Corruption is a serious problem	94.3
There has been no important progress against corruption	49.3
The charges of corruption are well-founded	49.9
Confidence in the Attorney General's Office	24.4
The investigations will produce concrete results	37.0
Government with the most corruption:	
Duarte	28.5
Cristiani	26.1
The charges will harm ARENA	46.7
Interested in hearing about corruption in the press	48.3

Guatemala

Vice President Urges Talks With Rebels

PA1112040894 Guatemala City LA REPUBLICA in Spanish 9 Dec 94 p 4

[FBIS Translated Text] Vice President Arturo Herbruger Asturias yesterday insisted on the need to hold talks with the guerrillas who are fighting in the mountains because the insurgent leadership has no assurances about the signing of peace and its observance by rebel forces. Herbruger Asturias also affirmed that in the future a civilian may be appointed minister of defense, but that it would now be counterproductive for the country.

"It is normal for the insurgent leadership to refuse to sign a peace accord for fear that they may be disavowed by the guerrillas who are fighting in the countryside and be later accused of betraying the cause," the vice president said.

He added that the talks with the rebels must continue, but improved ties must be sought with those in the countryside, so as to establish a more complete relationship. If talks are held with all sectors, an overall accord may be reached.

Regarding the appointment of a civilian to the office of defense minister, as the Civilian Society Assembly (ASC) has proposed, the vice president asserted it would be negative at this moment for the country.

Honduras

Reina To Reactivate National Security Council

PA1012004494 San Pedro Sula TIEMPO in Spanish 7 Dec 94 p 2

[Article by Daniel Serrano]

[FBIS Translated Text] Tegucigalpa—President Carlos Roberto Reina said yesterday that the National Security Council will be reactivated "shortly" and that the

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Defense Academy, through a liaison secretariat, will have the great task of counseling and analysis within that organization.

The president said this during the graduation ceremony of the "Dionisio Herrera" graduating class from the Advanced National Defense Course, which took place at the headquarters of that Institution in Colonia Viera.

Present at the event were: General Luis Alonso Discua Elvir, commander in chief of the Armed Forces; Rafael Pineda Ponce, vice president of the National Congress; Miguel Rivera Portillo, president of the Supreme Court of Justice; the diplomatic corps, government officials, military officers, graduates, and relatives.

The Defense College was created by the 1982 Constitution to prepare Honduran citizens—military and civilians—in the field of defense strategic planning and national development.

Reina stressed the quality of a national development project presented by the students of the graduating class, which "if adapted and renewed each year would be more valuable than the lifeless project of a bureaucratic technician."

The president said he shared the initiative of the Armed Forces and the Foreign Ministry to have the Defense Academy and the Superior Government Center share and fuse their study courses in the hopes of creating a master's degree in more advanced political and strategic studies.

On the other hand, Discua Elvir said that the Armed Forces, through the Defense Academy, are creating a plan for the transformation of Honduras with a commitment to national development, aware of the fact that we have to solve our problems ourselves."

In accordance with the wishes of the commander in chief of the Armed Forces, pertinent steps have been taken for the establishment in Honduras of the subregional UN Center for Peace, Disarmament, and Development for Central America and the Caribbean, whose objective is to contribute to the formation of a culture for peace to strengthen the full integration of the countries of the isthmus, Discua Elvir said.

In conclusion, he said that at present, the advisability of establishing academic, cultural, and research exchanges to project the Defense Academy beyond Honduras's borders is being discussed with UNESCO, the University for Peace, and the Arias Foundation. Discua Elvir said this was being done "because the Armed Forces is a renewed and revitalizing institution, open to dialogue, communication, and the free discussion of ideas."

Nicaragua

Chamorro To Ask in Miami To Prolong Stay of Citizens

PA0912193794 Managua EL NUEVO DIARIO in Spanish 9 Dec 94 p 8

[Report by Mario Sanchez P.]

[FBIS Translated Text] Nicaraguan President Violeta Chamorro and the delegation of ministers who traveled to Miami today to participate in the Summit of the Americas will ask President Bill Clinton to prolong the stay of Nicaraguan citizens in the United States and not to repatriate them en masse.

Nicaraguan Foreign Minister Ernesto Leal said yesterday Chamorro recently addressed a letter to Clinton with this purpose in mind, asking him to prolong the Nicaraguans' stay and not to deport them en masse, because Nicaragua's social structure is not prepared to receive them all at once.

Leal said approximately 230,000 Nicaraguans live in the United States, with 150,000, the largest number, living in Miami, and 75,000 more living in several California cities, particularly Los Angeles. Generally speaking, those living in California have already become U.S. citizens, because they have been living there many years.

Leal also said Chamorro will ask the United States in her speech on human rights to respect the human rights of Nicaraguan immigrants and those from other Latin American countries.

Regarding the infamous Proposition 187, Leal said Nicaragua will challenge it firmly and will express concern over laws of this type, because they violate human rights.

He also reported Chamorro will invite the 34 presidents who participate in the Miami meeting, which opens today and closes on 11 December, to sign or approve international agreements respecting women's rights. Chamorro will urge her fellow presidents to respect the human rights of women and their right to participate in the electoral processes and to be government heads or officials in their respective countries, among other matters.

Leal said Nicaragua will support the proposal, to be presented by Colombia, to sign a "hemispheric agreement" to fight drug trafficking taking place throughout Latin and North American countries.

Chamorro's delegation consists of Presidency Minister Antonio Lacayo, Leal, Economy and Development Minister Pablo Pereira, and Finance Minister Emilio Pereira.

Chamorro will sign with President Clinton the U.S.-Central America Agreement [CONCAUSA] during the summit. Incidentally, this document will be the only one signed at the summit, the purpose of which is to spotlight the U.S. support for the Alliance for Sustainable Development formed by the Central American presidents during the October summit in Managua.

The United States would be supporting by signing this protocol biodiversity, sustainable development, and investments in the energy sector, all of which are specifically aimed at stimulating the production of nonpolluting or geothermal energy.

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In addition, Managua will express its position, in agreement with the rest of the Central American countries, on joining NAFTA.

President: Officials Seeking Office Must Resign

PA1012044894 Managua Canal Cuatro Television in Spanish 0400 GMT 7 Dec 94

[Report by Josie Castillo from the "Extravision" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] Whoever wants to be mayor or president of this country must leave public office, President Violeta Chamorro said today in exclusive statements to "Extravision" newscast. The cabinet changes foresee the unavoidable departure of Minister Martha Palacios from the Health Ministry.

For the president of the Republic, the changes within the government's cabinet are not a priority. However, the growing rumors on the imminent replacement of Health Minister Martha Palacios by Dr. Luis Rivas Leiva, current director of social communication, seem to be well-founded.

According to a Minsa [Health Ministry] source, Palacios reportedly said Rivas Leiva will come in one door and she will go out the other.

[Chamorro, broadcast in progress] "...things that the government used to do here. Today I go little by little.

[Unidentified reporter] "There has been talk about several changes in the cabinet, including that of Health Minister Palacios.

[Chamorro] "No but, are you talking about Martha? No, she has said... [pauses] Listen, things must not be confused here. Everyone is now thinking about running for mayor, president, and so on. Those who want to serve in the government that will come to office in 1997 must leave office now if they are holding public office."

For Presidency Minister Antonio Lacayo, the situation is much worse.

[Reporter] "Engineer, there is talk about changes within the cabinet. Do you have any advice for Dona Violeta for next year?

[Lacayo] "First we must make it clear that the cabinet changes are the absolute and total responsibility of the president of the Republic. There will definitely be some changes, but they will be made by Violeta de Chamorro.

[Reporter] "Some names have already been mentioned. It was even said that Minister Martha Palacios will be excluded from the cabinet and one of the persons mentioned to replace her is Dr. Gustavo Tablada.

[Lacayo] "I personally feel Martha has done an extraordinary job in the area of health and if I were president, I would leave her there for many years to come."

They all want to be president and ministers, but only a few will enter the Kingdom of heaven.

[Deputy Government Minister Frank Cesar] "I should point out my willingness to cooperate with the president in all regards as well as with the government team, which during the past four years and throughout the electoral campaign maintained great unity and cohesion. We are ready to assist the president in every way we can.

[Reporter] "If Minister Mendieta leaves the Government Ministry, will you be the one to replace him?

[Cesar] "That would depend on the president of the Republic.

[Reporter] "But you are now the deputy government minister.

[Cesar] "The law empowers the president to remove any official she deems convenient."

According to our presidential source, Cesar may begin working to reinforce the presidential campaign of Antonio Lacayo, President Chamorro's son-in-law.

The appointment of Rivas Leiva to the Minsa would place Maria Alicia Talavera at the head of the government communication policy.

[Talavera, deputy director of the Presidency Social Communication Directorate] "I do not know anything about that.

[Reporter] "You do have, however, a great deal of journalism experience to take on that position.

[Talavera] "But that decision does not depend on me.

[Reporter] "Who must make that decision?

[Talavera] "Decisions regarding changes are made by President Chamorro. She has not told me anything about that. I do not know anything about [words indistinct]. Sometimes we, journalists, speculate too much. When I worked as a reporter for BARRICADA, I also used to speculate a lot. I think this may be part of the Christmas season, because [words indistinct]. But I do not know anything about it."

The Christmas season will take some people away and will bring new faces, but they are all hoping for the same: a good salary, a good credit card, and a good pickup truck. Such is politics.

Executive Branch Pressures Assembly on Budget

PA1012192494 Managua EL NUEVO DIARIO in Spanish 7 Dec 94 p 8

[Report by Edgard Barberena S.]

[FBIS Translated Text] The negotiations with Emilio Pereira on the cutbacks made to the budgets of several government institutions were difficult because the head of the Finance Ministry again practiced the lesson he was

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taught at Harvard University: Use a number of resources, including pressure.

During Pereira's talks with the legislature's Economic Affairs Commission on Monday and Tuesday of this week, what worried him most was the Presidency Ministry's "confidential expense" allotment, according to what Deputy William Ramirez, a member of the commission that reviewed the 1995 budget, told EL NUEVO DIARIO last night.

A source confirmed to us that when Pereira was talking to the deputies on Monday evening, his cellular telephone rang and it was President Violeta Chamorro who reminded him that he should not negotiate the allotment of 7 million cordobas assigned to the Presidency Ministry.

Despite this, "we shaved 3.9 million cordobas from the confidential expense allotment," Ramirez said, but added, "we were unable to give the Supreme Court of Justice [CSJ] the 3 million cordoba increase" it needs to refurbish the former Cesar Augusto Silva Convention Center.

Because of the government's positions on the 1995 budget, the CSJ will have to continue to pay a monthly rental fee to the "reformed" Somozist Frank Kelly for the offices it currently occupies in Plaza Espana, William Ramirez told EL NUEVO DIARIO when he evaluated the negotiations with Emilio Pereira.

Ramirez, who is also a member of the Sandinist Renewal Movement, confirmed that they were also unable to approve a 5 million cordoba increase in the Supreme Electoral Council's (CSE) budget, and, he believes, this will prove detrimental to the identification card program being implemented by the CSE in many municipalities in the country.

Although the deputies insisted on backing the CSJ and CSE, Pereira and his technical team won the game that left the CSJ with only a 2 million cordoba increase and the CSE with a meager 2.5 million cordoba increase.

"The truth is that this negotiation was a good exercise, and although it was delayed, slow, and caused a great deal of tension, it yielded positive results, because the National Assembly and the Presidency of the Republic agreed to present the 1995 general budget of the Republic to the full assembly on Monday, 12 December. [no closing quotation mark as published]

Ramirez also raised doubts about the assembly by reporting that it was unable to approve the 75 million cordoba budget it had requested, "and the truth is that the budget given to the National Assembly does not even amount to 2 percent of the total national budget."

Ramirez said that at the talks, which were held until very late last night and will continue at the offices of Dr. Luis Humberto Guzman at 1100 today, Pereira had promised to give the legislature a 1.3 million cordoba allotment before the end of the year to enable it to pay several pending debts and start the year with a clean slate.

The deputies also managed to introduce a 7.2 million cordoba allotment for university students' transportation cards that Pereira had not included in the budget. "This is totally unrelated to the 6 percent the universities must receive," Ramirez asserted.

The legislator said, the national budget, which is to be discussed and approved starting next week, does not reflect several revenues such as traffic tickets, the payments received from the sale of lumber and related concessions, concessions from fisheries, or aid received from abroad.

Ramirez also explained other situations affecting the national budget, such as those related to wage hikes for teachers, health workers, and policemen. The proposal for the police budget, he said, includes a 14.8 million cordoba increase that was presented like this: 7 million cordobas added by the deputies and 7.8 million cordobas that were already included in the budget for seniority promotions for officers and policemen.

Finance Minister Redistributes Budget

PA1012013994 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 7 Dec 94

[Report by Claudia Sirias]

[FBIS Translated Text] The National Assembly and the government have reached an accord to redistribute 80 million cordobas of the 1995 budget. This accord will benefit those who earn lower wages in the areas of education, health, and the police.

After two days of negotiations, there was finally consensus between the government and the National Assembly. The demands of education and health workers, as well as policemen have been heeded.

The redistribution of 80 million cordobas for the 1995 budget will result in an additional 13 million cordobas being earmarked for the area of education, 10 more million to health, and 7 million to the police. Wages of policemen who earn less will be increased.

But other ministries will suffer cutbacks, because the adjustment was made without affecting the economic program, stability, and the effectiveness of ministries.

[Begin Finance Minister Emilio Pereira recording] This implies that other ministries will face a severe period of austerity. We will have to make additional savings. We will have to deepen the state reform regarding Marena [the Ministry of Natural Resources and Environment], the Ministry of Government, the Ministry of Construction and Transportation. It will probably be necessary to promote the labor mobility program more aggressively in these ministries. We all know this is a voluntary program, but it is necessary for it to continue as such to save money. [end recording]

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The Ministry of the Presidency, whose budget was cut by 10 percent, will be one of the hardest hit by the budget cutbacks.

[Begin Pereira recording] That is why, despite the strong impact of the cuts on the Presidency Ministry budget, President Chamorro instructed us to implement these cuts as soon as possible in order to reduce the deficit for December. [end recording]

Minister Pereira consulted with the Presidency so as to earmark, also with the Assembly's approval, a 26-million cordoba allotment for 100 investment projects in municipalities. The budget redistribution will also benefit university students and the Assembly itself with an additional 11 million. The judicial and electoral powers will receive an additional 5 million cordobas in funding.

Foreign Minister Complains About Budget Cuts

PA1112183394 Managua Radio Sandino in Spanish 1200 GMT 9 Dec 94

[From the "What's Happening" newscast]

[FBIS Translated Text] Foreign Minister Ernesto Leal is upset over budget cuts in his ministry. The Foreign Ministry will have to be closed at this rate, Foreign Minister Ernesto Leal said when criticizing the budget cuts made to his ministry by the National Assembly Commission, which is discussing the 1995 national budget.

Foreign Minister Ernesto Leal spoke about the closing of consulates and embassies due to the budget cuts:

[Begin recording] [Unidentified reporter] How many embassies will be closed?

[Leal] Many. We are not even going to have a Foreign Ministry if we continue making budget cuts.

[Reporter] Are they going to be closed in the Americas or where?

[Leal] That point will be determined when an analysis is made. The analysis will be submitted to the president for her consideration.

[Reporter] What was the amount of the budget cuts?

[Leal] I read in the newspapers there previously had been a $2-million budget cut. Now I see there has been a budget cut for 4 million cordobas. I do not have the official information yet.

[Reporter] How many [words indistinct] this year?

[Leal] Around 12 last year. We will see how much we are going to obtain in 1995. Perhaps there will not even be an office for the foreign minister. [end recording]

Panama

Developments, Comments on Cuban Rafter 'Uprising' Reported

Foreign Minister Comments

PA0912141294 Panama City Circuito RPC Radio in Spanish 1336 GMT 9 Dec 94

[Interview with Foreign Minister Gabriel Lewis Galindo by unidentified reporters at the National Air Service Terminal in Panama City; from the "RPC News" newscast; broadcast in progress—live]

[FBIS Translated Text] [Lewis Galindo] ...the rafters will also be a topic, because this situation is delicate and I believe we need to find quick solutions.

[Reporter] There is word that 1,000 rafters escaped and about 500 are injured. What is your information?

[Lewis Galindo] Not 500 injured. The report I was given this morning is that there were about 170 U.S. personnel struck by stones; I understand there are about 10 in the hospital, as well as 12 Cubans hospitalized.

[Reporter] What will be the repercussions of this, Mr. President? [title as heard]

[Lewis Galindo] I do not know. Let us see what the U.S. reaction to this uprising will be.

[Reporter] What do you believe will be done to prevent a repetition of this?

[Lewis Galindo] This is precisely what we need to talk about. I believe a solution will be needed much sooner than March.

[Reporter] Like what?

[Lewis Galindo] March is when the six months are up. Like what? No, I prefer to let the United States—this is their problem—to try and find a solution. We are going to help them find solutions, but they must first give us their ideas.

Over 1,000 Cuban Rafters Reported Recaptured

PA0912160994 Panama City ACAN in Spanish 1452 GMT 9 Dec 94

[Report by Luis Miguel Blanco]

[FBIS Translated Excerpt] Panama City, 9 Dec (ACAN-EFE)—The worst riot staged by the Cuban refugees, who were set up three months ago in U.S. military camps in Panama, concluded with the recapture of more than 1,000 rafters and a toll of 10 military and 3 Cuban rafters injured, in addition to extensive material damage.

More than 1,000 Cubans protested in Camp No. 1, one of the four established in a semijungle region, near the interoceanic Canal and 10 km from the Panamanian

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capital city, on 8 December, which is Mothers' Day and a holiday in Panama, and destroyed the fence that enclosed them.

The "rafters," who had already staged another protest, which left 40 military injured and 10 vehicles destroyed, the previous day are venting "their frustration" over not knowing what their fate will be, given they have been held against their will in the camps, without any possibility of being able to travel to the United States. This statement is what many of them have said. The U.S. military is beginning to admit this point, saying "we are not the ones who establish the policy that is to be followed."

Thursday's [8 December] riot began a few hours after approximately 60 Cubans left for Spain, sponsored by family members in that country, and another 50, who were chronically ill, elderly, or orphaned children, left for the United States.

The protest spread like "gunpowder" in the other camps, where other protests ensued. The most violent protest occurred in Camp No. 2, which was quelled with the use of tear gas and police sticks, given the military was prohibited from using firearms.

Approximately 30 protesters swam to the eastern bank of the Canal but were recaptured by members of the Panamanian National Police. They returned them to U.S. authorities, who said last night that "the situation is under control" and that all the "rafters" are back in the camps. [passage omitted]

Two Bodies Found in Canal

PA1112145094 Panama City LA PRENSA in Spanish 11 Dec 94 p A-1

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] The bodies of two rafters who took part in this week's violent scuffles were found in the waters of the Canal, thus becoming the first casualties in the "Safe Haven" camps according to U.S. military sources. The sources added another 31 rafters became intoxicated with alcohol but are out of danger.

On 7 and 8 December, 1,500 rafters staged a revolt and a mass escape from camps No. 1 and 2 while scores of them opted to jump into the Canal to flee. Two of these escapees died in the attempt.

Lieutenant Colonel Melanie Reeder, spokeswoman for the Joint Task Force's Operation Safe Haven, has said the Panamanian police informed the Southern Command yesterday at 0900 they had found the body of a rafter, but no names were given, because his relatives in Cuba had not been notified yet.

LA PRENSA has learned the first body found bore no identification, but the second one bore identification card No. 000341313 with the name of Lazaro Roberto Gerone Gerjon, 25. The two bodies were decomposed.

The first body was found near the Pedro Miguel Locks, and the other one was found by the U.S. Army across from Contractor's Hill. The Panamanian police said the Cubans had drowned.

Following the riots on 7 and 8 December, 221 U.S. troops and 28 rafters were injured. In addition, it has been said the situation in the camps is tense.

Thirty-one rafters are still at large, and the Southern Command has revealed another 2,000 security troops have been assigned to guard the camps. Some of those troops came from Fort Pope in North Carolina.

The body found by the Panamanian police was taken to the morgue of Santo Tomas Hospital. The victim was a tall, Caucasian male of approximately 25 years of age, and he was wearing jeans and a black T-shirt. He wore a bracelet identifying him as a Cuban rafter.

It was also reported 31 of the rafters who escaped arrived at a warehouse in Panama, where they drank rubbing alcohol. They became intoxicated, and 19 of them were hospitalized although it is not clear how they obtained the alcohol.

Martin Gonzalez, Antonio Rivero, Hector Sanchez, Rafael Lopez, and Jesus Hernandez, rafters from Camp No. 1, were taken to the press center of Operation Safe Heaven where they described what happened.

Lopez said it all started due to the "lack of information" on their immigration status. The situation became more worrisome when Otho Bauta, a U.S. Justice Department official, was removed by U.S. Attorney General Janet Reno after protesting the delay in processing documents to send Cubans to the United States.

Rafters in Camp No. 1 had planned a peaceful demonstration on 7 December to draw the attention of participants in the Miami summit. The demonstration turned violent, however, when a group of 300 Cubans attacked U.S. soldiers with stones and sticks although everything was calm by nighttime.

"Another group began acting up the following day, however, a situation which created fear among the rafters in the camp, who decided to flee although many of them returned afterward," Lopez added.

Meanwhile, President Ernesto Perez Balladares has said the U.S. Government "is responsible" for whatever happens to the 8,000 rafters who are in the camps along the banks of the Canal, the Panamanian Government has announced.

Perez Balladares has said "Panama would be willing to accept Cuban rafters who have relatives" in our country, and he urged other nations "to do the same so they will not be a burden for any society and to find a solution for most cases."

General Barry McCaffrey, chief of the U.S. Southern Command, met with President Perez Balladares in

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Miami yesterday to discuss the problem of Cuban rafters in Panama. McCaffrey stated in a brief exclusive statement for LA PRENSA he was at the summit at President Clinton's request, adding: "We are saddened" by the violent incidents at the refugee camps in Panama.

Government Issues Communique

PA1212022694 Panama City Government and Justice Ministry Press Release in Spanish 11 Dec 94

["Communique to the Country" issued by the Panamanian Government and Justice Ministry in Panama City on 11 December]

[FBIS Translated Text] In light of the regrettable incidents that have taken place over the past few days in the Safe Haven camps in the area of the Panama Canal under U.S. military control, the Panamanian National Government considers it its duty to give citizens an official version of the circumstances and events that took place in those camps up until the time that this communique was issued.

1. Arrangements for operations of humanitarian assistance in the Republic of Panama, based on Article 4 of the Panama Canal Treaties (Torrijos-Carter), established the terms and conditions under which the U.S. Government was authorized to use the areas under military control to offer refuge to a maximum of 10,000 Cuban rafters. This document is public knowledge.

2. Point 5 of this arrangement establishes that the U.S. Government "will be solely responsible for the Cubans' general security, good order, and discipline during all stages of this humanitarian action." Point 6 establishes that "the Cuban nationals will be restricted to the areas selected for their placement."

3. On 7, 8, 9, and 10 December, the Cubans engaged in a series of incidents and disturbances, with a considerable number of them leaving their camps. Unfortunately, this situation up until now has resulted in two (2) deaths and many injured among Cuban citizens and U.S. military personnel.

4. With respect to the two bodies found floating in Panama Canal waters, it is hereby notified that both are Cuban nationals housed at the refugee camps; their names are Rolando Rodriguez Ors and Lazaro Roberto Jerome. The Attorney General's Office proceeded to order the mandatory autopsy which determined the absence of foul play as the cause of either death. The same autopsy report determined that the main cause of death was attributed to immersion or drowning while attempting to cross the Panama Canal. After having completed the mandatory legal procedures, and taking into consideration provisions included in the document of agreement related to the arrival of the Cubans as a gesture of humanitarian assistance, the bodies have been returned to the U.S. Army for disposal.

5. The U.S. Government has reassured Panamanian authorities that additional measures have been taken to guarantee the honoring of the agreements reached by the joint committee on 3 September 1994.

6. The Government of the Republic of Panama, through its Foreign Ministry, has reiterated to the U.S. Government its decision to continue cooperating to find solutions to the problems taking place in the camps. Likewise, it has reaffirmed that once the six-month term established in the agreement has expired, the Cubans must be relocated outside the territory of the Republic of Panama and that there will be no rescheduling of this term.

7. The Panamanian Government has emphatically reiterated to the U.S. authorities responsible for Operation "Safe Haven" that the Cuban nationals housed in the camps must be provided adequate and respectable living conditions. The individual rights of these people must be respected within the guidelines established in Point 2 of the arrangement.

Government Holds News Conference

PA1212003794 Panama City TVN Television Network in Spanish 2300 GMT 11 Dec 94

[FBIS Translated Text] At a news conference today, the Panamanian authorities announced the decision not to grant an extension to the U.S. Government allowing the Cuban rafters to remain in national territory once the initially agreed-upon deadline expires in March.

The Panamanian Government's decision comes several days after nearly 1,000 Cuban rafters staged several disturbances that left a number of people wounded, while an undetermined number of rafters still have not be recaptured.

[Begin Foreign Ministry Spokesman Erich Rodriguez Auerbach recording] On 7, 8, 9, and 10 December, the Cuban rafters staged several incidents and disturbances resulting in the escape of a considerable number of them. This situation has unfortunately caused two deaths, as well as resulted in injuries to Cuban nationals and U.S. soldiers.

Point No. 4 of the communique: With respect to the two bodies found floating in Panama Canal waters, it is hereby notified that both bodies are Cuban nationals housed at the refugee camps; their names are Rolando Rodriguez Ors and Lazaro Roberto Jerome. The Attorney General's Office proceeded to order the mandatory autopsy which determined the absence of foul play as the cause of either death. The same autopsy report determined that the main cause of death was attributed to immersion or drowning while attempting to cross the Panama Canal. After having completed the mandatory legal procedures, and taking into consideration provisions included in the document of agreement related to the arrival of the Cubans as a gesture of

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humanitarian assistance, the bodies have been returned to the U.S. Army for disposal.

Point No. 5 of the communique: The U.S. Government has reassured Panamanian authorities that additional measures have been taken to guarantee the honoring of the agreements reached by the joint committee on 3 September 1994. [end recording]

The Government of Panama also advised that it will continue to cooperate with the United States to provide humanitarian assistance to the Cuban rafters.

Vice President Tomas Gabriel Altamirano Duque; Government and Justice Minister Raul Montenegro; Deputy Foreign Minister Omar Jaen; National Police Director Oswaldo Fernandez; and the directors of the Technical Judicial Police, National Air Service, and National Maritime Service; and presidential adviser Jose Luis Sosa were present at the news conference. At the news conference, it was also announced that Panamanian authorities will be reinforcing security measures throughout national territory.

Minister Urges Citizens to Help in Search

PA1212002294 Panama City Circuito RPC Radio in Spanish 2315 GMT 11 Dec 94

[Report by Jose Garibaldi]

[FBIS Translated Text] At a news conference this afternoon, First Vice President Tomas Gabriel Altamirano Duque referred to the disturbances by Cuban rafters in Panama. According to the vice president, the North Americans have said they will implement tough measures to prevent a recurrence of the recent incidents that left both Americans and Cubans injured.

[Begin Altamirano recording] The North Americans have allowed the Cubans to be rather free; I assume the Americans are doing this to prevent themselves from being accused of violating the Cubans' rights. I understand, however, that the Rangers have already been assigned to guarantee and ensure that these people do not leave. I think the next time they attempt to leave that camp they will find it rather difficult, because the U.S. military has ordered a tough hand. [end recording]

Mr. Altamirano also said the North Americans have not given an exact number for the Cubans who remain at large, but he added that the number probably ranges between 30 and 40 rafters.

Government Minister Raul Montenegro, who also was present at the news conference, urged the Panamanian people to help locate the escaped Cubans.

[Begin Montenegro recording] We need the cooperation of citizens to capture those who are currently missing from the camps. The public force will continue cooperating with U.S. authorities to recapture the escapees. [end recording]

Likewise, he also said that the public force will remain alert for any incident that may take place. The news conference also clarified that the agreement will be adhered to once the Cubans' stay in Panama expires, because the North Americans must assume their responsibility come March.

[Begin Altamirano recording] You may have already heard on the news that the U.S. Government is working with other governments to encourage them to r[illegible] those Cubans who have relatives in those na[illegible] believe the U.S. Government is exerting a lot of p[illegible] for this to come about. I also believe that they will also receive a significant number of Cubans who are today along the banks of the Canal. [end recording]

In this regard, the vice president pointed out that, if the Panamanian president believes some of these Cubans may be granted asylum, this will be reported once Dr. Perez Balladares returns to Panama.

We can say that, along with the vice president and the government and justice minister, also present at the news conference were National Police Director Oswaldo Fernandez, PTJ [Judicial Technical Police] Director Gabriel Castro, Deputy Foreign Minister Omar Jaen, advisers, and others.

Rafters 'Not Panama's Responsibility'

PA1212141794 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Dec 94 p A-1

[Report by Cristobal A. Chen]

[FBIS Translated Excerpt] The violent disturbances that took place in the camps of the Cuban rafters "are not Panama's responsibility," First Vice President Tomas Gabriel Altamirano Duque said yesterday.

The National Security Council, chaired by Vice President Altamirano Duque, met in the National Police headquarters for four hours yesterday behind closed doors to assess the situation of the Cuban rafters in Panama.

Altamirano Duque said the U.S. Government "is making efforts with all countries of the world to place the largest number of Cuban refugees in such countries."

The tragedy in the camp of the Cuban rafters located in Nuevo Emperador, Arraijan, heightened on 10 December when the U.S. Southern Command confirmed two Cubans who tried to escape had drowned in the waters of the Canal. [passage omitted]

The National Police and U.S. Southern Command are conducting search operations in an effort to find the rafters who escaped.

Rights Official Seeks UN Intervention

PA1012164394 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Dec 94 p A-1

[Report by A. Sanchez Belisle]

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[FBIS Translated Text] Osvaldo Velasquez, president of the Panamanian Human Rights Committee (CPDH), yesterday denounced that the Cuban rafters are being held as prisoners and have been deprived of freedom along the banks of the Panama Canal.

In a letter addressed to Kofi Asomani, regional director of the UNHCR for Central America, Panama, and the Caribbean, Velasquez requested Asomani's help in resolving the case of the Cuban rafters.

"The CPDH is respectfully requesting that the UNHCR actively and vigorously enforce the 1951 Convention on the Human Rights of Refugees," said Velasquez in the letter to which LA ESTRELLA DE PANAMA gained access.

"The CPDH believes the situation of the Cuban refugees in Panama violates the United Nations convention and protocols governing this matter," said Velasquez in the letter.

Velasquez also opposes sending the rafters back to Cuba; instead, he recommends that "U.S. immigration officials come to Panama to process visa applications."

Other suggestions presented by the CPDH to the UNHCR deal with the fair distribution of the burden among the countries that signed the convention and protocols, which have been ratified and therefore constitute a binding commitment for the signatories.

"These actions," the CPDH suggests, "should be executed by the UNHCR under the auspices of the United Nations and not by an individual country," Velasquez added in the letter to Asomani.

"The CPDH believes the UNHCR's intervention could end the refugees' desperation, which could cause unforseen violence," Velasquez underscored in the letter.

Columnist: 'Gringos,' Cubans Should Go

PA1012141194 Panama City EL SIGLO in Spanish 10 Dec 94 p 6

[From the "Improvisations" column by Alfredo Icaza]

[FBIS Translated Text] By now, the rebellious Cubans have undoubtedly been quelled and shown for what they really are. Also, the foolish Gringos did not know what these Cubans were: A bunch of excrement-eating communists who do not try too hard to conceal their true intentions...

I cannot understand the feelings of some people who yearn to live abroad.

I cannot imagine the frantic wishes of people who abandon their own bits of soil... I would not trade my country for all of the gold in the world...

Nevertheless, the Gringos have been accepting—supposedly in a democratic way—some characters with many more bad habits than good... And this is the result.

They cannot come now and leave us with this Cuban "lot..."

Let them take the Cubans away as soon as possible. Along with themselves...

Commentary Assesses Riot, Police Performance

PA1012170894 Panama City EL PANAMA AMERICA in Spanish 10 Dec 94 p 1A

[From the "Panama's Pulse" column]

[FBIS Translated Text] Rafters. Fortunately, in spite of the property damage and the many people injured, there were no lives lost during the clashes between Cuban rafters and their U.S. guardians. Nevertheless, both are heading down a dead end street. Is it deplorable that this should have taken place today when we are commemorating the 46th anniversary of the Universal Declaration of Human Rights.

Police. The performance of the National Police in support of the U.S. soldiers who lost control of the situation was commendable and efficient. Had it not been for the National Police, it is very likely that hundreds of rafters would now be heading toward the United States. The various escape attempts involved hundreds of man hours and proved costly to the public forces.

Solution. If a blockade were imposed on our country, as it has been on Cuba, and, at the same time, if our people who might decide to flee toward Miami were offered the promise of a visa, nationality, and employment, there is no doubt that no one would be left in Panama; all of us would be rafters. This shows how poorly the problem has been handled. The intelligent solution is dialogue and negotiation.

Surveillance in Canal Area To Be Increased

PA0912184794 Panama City TVN Television Network in Spanish 1700 GMT 9 Dec 94

[From the "National Newscast at 12"]

[FBIS Translated Text] Government and Justice Minister Raul Montenegro announced today the Panamanian authorities will redouble surveillance in the Panama Canal area.

Montenegro said upon leaving a meeting that surveillance will be redoubled in the Canal area at the behest of the president of the Republic and the Canal Commission Board of Directors in order to prevent damages in the area:

[Begin recording] [Montenegro] We will strictly apply the law against those who steal and destroy Canal facilities. That is a crime that seriously harms the Panamanian nation. The implementation of the law will also

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apply to the deforestation of the hydrographic basin area, an issue which we discussed at this morning's meeting with Canal Administrator Gilberto Guardia and his team.

[Unidentified reporter] Did you also discuss the risks incidents such as those at the Cuban camps pose to the Canal area?

[Montenegro] We definitely discussed those risks, and, as everyone knows, the professional performance of the National Police, the National Maritime Service, and the National Air Service, summoned by the National Security Council yesterday, prevented the escape of the Cubans, known as the rafters, from the camps. This point proves once again the strength and coherence of our government organizations.

[Reporter] Will you seek measures to work with the Southern Command to step up surveillance within the camps to prevent this occurrence from happening again?

[Montenegro] We met early yesterday with Colonel O'Connor, who reiterated on behalf of General Wilson that all the measures within their reach will be adopted to prevent escapes from the camps. It was clearly established in the agreement allowing the Cubans' arrival and installation at these camps that no Cuban citizen at the camp will be allowed to leave.

[Reporter] What at first seemed like a U.S. problem is now crossing over into Panamanian jurisdiction. This problem is becoming one for the Panamanian Government, because Panamanian troops or policemen had to be mobilized. What is the Panamanian Government going to do in response to this situation?

[Montenegro] We are going to fulfill our promise. The expiration date of the six-month deadline for these camps to remain in Panamanian territory is 6 March 1995..

[Reporter] Do you have any information on the number of Cubans who are still at large?

[Montenegro] Less than 50 of them are at large as I speak.

[Reporter] Will the search for them continue?

[Montenegro] Yes, definitely. We must faithfully fulfill our pledge that no one will be able to leave those camps.

[Reporter] What actions are the police executing today?

[Montenegro] The same as yesterday's, which were operations by land, sea, and air.

[Reporter] Has the community cooperated?

[Montenegro] Yes, of course, particularly in the Canal residential areas. Residents have cooperated with the National Police in the capture of the fugitives. [end recording]

Canal Security Link to Rafters Denied

PA1012165994 Panama City EL PANAMA AMERICA in Spanish 10 Dec 94 p 3A

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Representatives from the Panamanian Government and the Panama Canal Commission agreed yesterday to increase surveillance and security measures around Panama Canal installations in compliance with the Torrijos-Carter treaties.

According to Government Minister Raul Montenegro, those attending the meeting agreed to establish necessary security procedures to guarantee the proper functioning of the Panama Canal and surrounding areas.

The official ruled out that the meeting was called in response to Thursday's [8 December] violence that left 214 U.S. soldiers and 14 Cuban rafters injured and about 35 Cubans arrested. He explained that the meeting with the Canal authorities had been scheduled for a long time.

"We have decided to institute new means of coordination to bolster the Canal Zone's defense and security systems, which are progressively being turned over to Panamanian jurisdiction," Montenegro explained. He added that the government's primary goal is to reinforce security around Panama Canal installations, as well as to eradicate criminal activity within the Canal Zone.

Security Reinforced at Embassies

PA1212140094 Panama City EL PANAMA AMERICA in Spanish 12 Dec 94 p 1

[Report by Arnulfo Barroso]

[FBIS Translated Excerpt] [passage omitted] The Panamanian Government yesterday beefed up security at most of the embassies accredited to Panama to prevent about 30 Cuban rafters, who are still at large, from seeking asylum in them.

In a news conference convened by Vice President Tomas Gabriel Altamirano Duque, which was attended by Government Minister Raul Montenegro and the heads of Panama's security services, the measures to protect diplomatic missions were announced.

"We do not know what kind of people they are. Among the Cubans there are very nice people, but there is also the possibility that others may not be like that," Vice President Altamirano Duque asserted.

He also disclosed that the United States has assigned the "Rangers" [preceding word in English] to guard the perimeter of the camps and ordered them to use "force." The vice president reiterated that the government will not grant an extension to enable the rafters to remain in the camps after March.

Meanwhile, Jose Luis Sossa, director of the Council for Public Security and National Defense, did not rule out

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the possibility that among the nearly 9,000 Cubans in the camps, there may be supporters of Fidel Castro who may be creating problems. However, he added, this is very difficult to confirm.

During a news conference, it was also revealed that the autopsy performed on the bodies of Cubans Rolando Rodriguez and Roberto Jerome disclosed that their death was not the result of a crime but was due to drowning after attempting to swim across the Panama Canal.

Government Issues Counterproposal on U.S. Trade Request

PA1012151294 Panama City EL SIGLO in Spanish 7 Dec 94 p 76

[Report by Veronica L. Tamayo]

[FBIS Translated Text] Jose Troyano, deputy minister of the Commerce and Industries Ministry [MICI], has asserted that a number of foreign professionals, including engineers, architects, and lawyers, will work in our country when Panama enters GATT. However, he added, this will not negatively affect our citizens.

Troyano said the government is currently studying one of the many requirements the United States has placed on Panama to allow foreign professionals and corporations to enter our country. Concerning this, he added, Panama is unwilling to give up more than what it is currently offering in the exchange of services.

The MICI deputy minister stressed that there are areas in the service sector, such as services provided by lawyers, engineers, and architects, that must be reviewed very carefully, and, he added, the government is doing just that to prevent Panamanian professionals from being harmed.

Troyano said one of the most important advantages [words indistinct] if Panama enters GATT is that it will enter the global economy and not be isolated from the rest of the world. He added that, so far, 148 countries have entered GATT and only two countries in Latin America have not yet done so—Ecuador and Panama.

Referring to the counterproposal presented by the Panamanian Government to the United States, he revealed that it comprises or is based on consolidating tariffs at their current levels and halving tariffs that exceed 50 percent, including or establishing a list of exceptions for products that are considered to be perishable, such as those coming from the agriculture and agro-industrial sectors, among others.

The MICI deputy minister also announced that Panama does not accept the U.S. proposal to reduce tariffs on approximately 420 products, and he said our country had countered by presenting a list of 172 agriculture and agro-industry products.

The U.S. Government will study the counterproposal and will call us to continue the negotiations for this agreement sometime in mid- February, Jose Troyano reported.

Deputy Minister Comments on Advantages to Joining GATT

PA1012030694 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Dec 94 p D-10

[Report by A. Sanchez Belisle]

[FBIS Translated Text] Jose A. Troyano, commerce and industries deputy minister, said yesterday that we are trying not to adversely affect the country's labor sector in the negotiations that Panama is currently holding to join GATT.

"Joining GATT will bring investments to Panama, and the Panamanian companies will become more competitive, thus benefiting the labor sector," Troyano told the media.

Troyano also said that the Panamanian services sector will remain untouched if we join GATT. "As far as services are concerned, Panama will try, as far as possible, to keep the existing services that are now being exchanged with other countries; there will be nothing more than that," Troyano explained.

He pointed out that joining GATT, however, will decrease customs tariffs, but it will also increase imports, thereby maintaining a balance.

In addition, the deputy minister underscored that a second U.S. proposal came out of the negotiations held by the Panamanian delegation on 21 and 22 November in Washington, D.C., United States.

"This second proposal will be widely discussed from now until mid February, when another meeting with the United States is supposed to be held," Troyano concluded.

ARI Asks U.S. To Remove Toxic Substances From Bases

PA1012042994 Panama City LA PRENSA in Spanish 7 Dec 94 p 12a

[Report by Sandra Alicia Rivera]

[FBIS Translated Text] Bambito, Chiriqui—Interoceanic Region Authority (ARI) President Carlos Mendoza has asked the U.S. Government to remove all toxic substances and unused war materiel from its bases.

Mendoza explained that Torrijos-Carter Treaties stipulate that the U.S. Government is responsible for cleaning the bases before they revert to Panama.

Mendoza made the statement at the Bambito III meeting in Bambito, Chiriqui, which was attended by President

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Ernesto Perez Balladares, two former presidents, representatives of political parties, and government officials.

The issue of the reverted areas is very important to Panama, thus it was widely discussed at the Bambito meeting.

"I have not only asked the Panamanian president to request this, but I have also called on all Panamanians to make themselves heard on this issue because it is vital that those areas be returned to us clean and without what the law terms hidden defects," Mendoza asserted.

Asked if such events could delay the date upon which the areas are scheduled to revert to Panama, he replied in the negative, because there will be no reason to delay the return if the U.S. Government complies with the provisions of the Torrijos-Carter Treaties.

On this same subject, former Panama Canal Administrator Fernando Manfredo said: "The United States is obliged to clean the bases, but it has stated that the Army does not have the budget to do the job. Use of those military bases will be very limited if they are not cleaned."

He added that it is necessary for civil society, the government, and political sectors to remain apprised of the situation and to take a common stand to request that the United States comply with this provision.

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Argentina

Under Secretary Examines Mercosur Prospects

PY0912172894 Buenos Aires LA NACION in Spanish 6 Dec 94 Section 6 p 8

[Interview with Foreign Trade Under Secretary Carlos Kesman by Cristian Mira in Buenos Aires; date not given]

[FBIS Translated Text] [Mira] What are Argentina's prospects for the creation of Mercosur [Common Market of the South]?

[Kesman] Argentina's foreign trade policy has changed substantially since 1989 and 1990. It stopped propping itself up with export incentives within the framework of an unstable economy and switched to a policy with monetary and fiscal order.

The Convertibility Law, the liberalization of the import of capital assets and technology, and the opening up of the economy are the main ingredients of this policy. This policy, especially in the sphere of trade liberalization, will pick up pace within Mercosur.

Argentina is asserting itself in the world not in a unilateral or solitary manner, but within the Mercosur bloc, together with Brazil, Paraguay, and Uruguay.

Within this context, Argentina is undergoing two processes. On the one hand, there is its positioning within the expanded Mercosur market, which is a market five to seven times larger than the market it was in 1990. On the other hand, there is the question of how it should position itself in the world, not on its own but within a bloc. The challenges begin at this point for all involved and for Argentine businessmen as well.

The Mercosur transition period from 1991 to 1994 has implied very special dynamics in the economic sector. For the private sectors it means countries must position themselves in an expanded market.

Enterprises have to internationalize themselves at the very least, and quickly, within Mercosur. Those enterprises that do not go through this process will have greater difficulties, while those that do will have better opportunities.

Argentine enterprises must inform themselves about their competitors within the Mercosur, because even if Argentina did open itself up much more quickly, we are practically at the threshold of a zero tariff within Mercosur.

The enterprises should have started in 1991 to find out what kind of competitors they have in the region, their sales volume, and what type of technology the sectors with which they are going to compete have. From there they will have to see if they are going to compete alone, or if they need to achieve complementary agreements with other enterprises of the region, or implement joint ventures.

Mercosur is working with the idea of an open regionalism. Argentine and regional businessman will have to take into account that Mercosur is not going to close down.

The common external tariff implies an important opening for Argentina, and even more so for Brazil, with respect to their national tariffs. This will be the tendency in the medium and long term.

The Mercosur zone will be entirely liberalized within a short time, but in turn it will be open, and not very protectionist, and that is the definitive strategy: interzonal competition (consolidation, joint projects) in order to compete within the open bloc and obtain a position as a bloc within the world market.

[Mira] Are there economic sectors that are better off than others within the context of Mercosur?

[Kesman] Argentina is placing practically all its primary sector production within Mercosur—wheat, diary products, and cheese, for example—and all its agro-industrial output and foodstuffs.

In addition, it is estimated that the rice harvest export for the 1994-1995 season will be doubled, basically to Brazil. It is estimated that the harvest will increase from 250,000 to 500,000 tons a year.

The primary or agro-industrial sector will, however, not be the sector that will feel the impact. The manufacturing sectors of industrial origin, such as the metalworking and metallurgical industries (excluding the vehicle industry), are developing rapidly.

The sale of manufactured goods is increasing by more than 38 percent within Mercosur.

[Mira] What is happening with the special sectors where a differential treatment is being negotiated?

[Kesman] There are special sectors within that context, such as the sugar industry, that require special treatment due to the strong regulation that Brazil has with the gasohol plan and the nearly total deregulation that Argentina has implemented. These matters and the vehicle sector are being discussed by a special committee.

Then we have the textile sector, which also has problems, and not so much intrazonal but extrazonal problems. Here Argentina is trying to establish a common Mercosur policy looking toward the world.

Policies such as these that Argentina now has regarding specific duties on textiles can be established in the textile sector, which is greatly affected by the disloyal policies of some parts of the world, such as the Asian countries.

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The steel industry also has a special position. They are going to integrate aggressively, but in a complementary and not a competitive way.

[Mira] Will there be mergers or strategies to win markets?

[Kesman] No, in principle it seems to be no. Argentine enterprises are preparing themselves, and are going to try to compete not only in the basic steel sector but also in the area of special steels, trying to respect the advantages each country has in these sectors and always taking into account a liberalized market.

This process has been assisted by a bilateral agreement of the two sectors within the framework of Mercosur so that there will be stronger controls.

[Mira] What will happen with Mercosur's new partners, such as Chile, for example? Will there be any special obstacles?

[Kesman] In principle there are no obstacles. To go even further, Mercosur is trying to make Chile's entry easy. Proof of this is that it is the only Latin American country that is negotiating with Mercosur. The only thing that has to be defined is how quickly Chile will became a member of the bloc.

We know that Chile is approaching us via the free trade zone method. Nothing has yet been discussed concerning a customs union, due to Chile's uniform tariff policy.

South Atlantic Squid Harvest Limit Increased

PY0912135294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2007 GMT 8 Dec 94

[FBIS Translated Text] Buenos Aires, 8 Dec (NA)—Today, at the conclusion of the Ninth Meeting of the Argentine-Great Britain Fishery Commission, Argentina decided unilaterally to increase its harvest of squid in the South Atlantic to 220,000 tons.

The two delegations met in Buenos Aires "in a cordial atmosphere" for two days, according to a joint communique released in this city.

It was reported that for this meeting and its conclusions, the two countries instituted the "umbrella" formula, which was set up by the governments in 1989, which does not alter the position maintained by each government regarding sovereignty over the Malvinas, South Georgia, the South Sandwich Islands, and the surrounding maritime areas.

Argentine Foreign Minister Guido Di Tella confirmed that the capture of squid will be increased to 220,000 tons this year. The decision was adopted and made known by the foreign minister in view of British reticence over accepting the Argentine position.

During the previous season, Argentina limited itself to a capture of 160,000 tons, while the people of the Malvinas agreed to reduce their capture from 160,000 to 130,000 tons.

"Last year we did not capture the 220,000 tons, but this year we will do so because our scientific data guarantees that the biomass will not be affected," Di Tella said. Di Tella arrived in Miami today and will participate as a member of the Argentine delegation in the Summit of the Americas.

Chamber Approves Creation of 'Undercover Agent'

PY0912160994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1054 GMT 8 Dec 94

[FBIS Translated Excerpt] Buenos Aires, 8 Dec (NA)—The Chamber of Deputies has approved the bill creating the figure of the undercover agent in the fight against drug trafficking, but rejected Senate modifications stating that the undercover agent could be used only by the security forces.

The lower chamber thus insisted on its original version, which includes the possibility of allowing the provincial police forces to also use the undercover agent. The draft bill was submitted by Deputy Eduardo Varela Cid of the Justicialist Party.

The law also creates the figure of the "repentant," who will benefit from a reduced sentence because of his contribution to breaking up or discovering drug trafficking gangs. [passage omitted]

The new law contains several measures to safeguard the infiltrated person's identity, which will not be given even to the judge, who will learn the name only when the final arrest of the members of the drug trafficking gang under investigation is made.

The Senate had limited the use of the undercover agent to the national security forces, but the deputies insisted that the provincial police forces also be included, in view of requests by the provincial governors, especially Eduardo Duhalde, governor of the Province of Buenos Aires.

Due to the fact that the Chamber of Deputies was the originator of the bill, it only needed a simple majority to approve it, in accordance with the reformed Constitution. [passage omitted]

UCR National Convention Leader Resigns

PY1112142294 Buenos Aires CLARIN in Spanish 8 Dec 94 p 9

[FBIS Translated Text] Osvaldo Alvarez Guerrero yesterday tendered his resignation as UCR [Radical Civic Union] National Convention leader, harshly criticizing presidential candidate Horacio Massaccesi and the entire UCR leadership. Alvarez Guerrero said the Rio Negro governor "cannot unfold the banner of clean hands." Alvarez Guerrero emphasized that he has not been considering, as some people had been speculating, the possibility of joining the Grand Front.

During a news conference at the UCR headquarters, Alvarez Guerrero noted: "The party's health will be

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protected by preventing the presence of corrupt people. Everyone may check into the court proceedings involving officials from the Massaccesi administration—two provincial ministers, including the provincial economy minister, who is the governor's cousin, have been indicted."

A [UCR deputy Federico] Storani group supporter, Alvarez Guerrero was alone in the UCR National Convention leadership because the other UCR National Convention members support the [UCR President Raul] Alfonsin group.

Bolivia

Government Responds to UCS Leader's Accusations

PY0912152294 La Paz Television Nacional Network in Spanish 0100 GMT 9 Dec 94

[FBIS Translated Text] The government no longer wants to talk with Max Fernandez [leader of the Solidarity Civic Union, UCS] on the tax issue. It only urged him to pay his taxes.

An accusation made yesterday by Max Fernandez that there are many tax evaders, beginning with the president of the Republic, has prompted answers from both the executive and legislative branches.

Max Fernandez was tough with the president, and the executive branch was tough with him.

[Begin recording] [Social Communications Minister Ernesto Machicao] Mr. Fernandez wants to debate the tax issue, and we want to tell Mr. Fernandez that taxes are not to be debated, but paid.

[Senate President Juan Carlos Duran] Why has Mr. Fernandez remembered, now that he is in the opposition, that President Gonzalo Sanchez de Lozada does not pay taxes, that he is not a loyal man, that he made him president, and a number of other things? Why did he not remember these things when he was part of the government?

[Unidentified reporter] And why has the MNR [Nationalist Revolutionary Movement] not remembered that Max Fernandez owed a lot of money when he was an ally of the government?

[Duran] Well, as far as I can tell, he has owed money since the previous government, and has not paid it, because he has been getting so many judicial resolutions from the Supreme Court and from the Attorney General's Office, and so on.

[Reporter] Does this mean that the debt has nothing to do with the resignation of Mr. Fernandez?

[Duran] No, no. We should not mistake one thing for another. Mr. Fernandez's withdrawal from the government was a political issue, and these are strictly economic and tax issues.

[Reporter] Would Mr. Fernandez pay taxes even if he were in the government?

[Duran] Like any other citizen. [end recording]

Brazil

President Leaves for Americas Summit

PY0912145494 Rio de Janeiro TVE Television in Portuguese 1400 GMT 9 Dec 94

[FBIS Translated Excerpt] A few minutes before leaving for the United States where he will attend the Summit of the Americas, President Itamar Franco this morning decreed three days of national mourning for musician Tom Jobim.

In shaking hands with Chamber of Deputies President Inocencio de Oliveira, President Franco handed over the country's presidency to him. Oliveira will be acting Brazilian President until 13 December.

Foreign Minister Celso Amorim, Civilian Household Chief Henrique Hargreaves, and Presidency Secretary General Mario Durante are accompanying President Franco. President-elect Fernando Henrique Cardoso, who is also a member of Franco's entourage, left the country at 0630 [0830 GMT]. [passage omitted]

President Franco will attend in Miami the Summit of the Americas, at which he will discuss with 34 other chiefs of state and government the political declaration modifying relations among the countries attending the summit.

Before leaving Franco signed the decree on national mourning for Jobim. He also instructed Culture Minister Nascimento Silva to represent him at Jobim's funeral in Rio de Janeiro this afternoon. [passage omitted]

Even before meeting for the first time tonight, Latin American leaders have already shown that the summit will be controversial. Of all chiefs of state and of government in the continent, only Fidel Castro has not been invited. The absence of the Cuban leader places the United States in a position that is antagonistic to several Latin American governments. Chilean President Eduardo Frei said that Clinton was wrong in excluding Cuba from the summit. Frei added that he expects at least an informal discussion on ending the commercial embargo against Castro's island.

Miami Summit Action Plan Said 'in Doubt'

PY1112205994 Sao Paulo AGENCIA ESTADO in Portuguese 1503 GMT 10 Dec 94

[FBIS Translated Text] Miami, 10 Dec (AE)—In an event marked more by its own symbolism than by concrete initiatives, the choreography chosen by the White House to open the Summit of the Americas in the evening of 9 December was eloquent. Right behind President Bill Clinton, U.S. protocal reserved a place for President Itamar Franco and another for his successor,

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Fernando Henrique Cardoso. A little further behind, but a step up, was the place of the new Mexican leader, Ernesto Zedillo. To the right of Clinton and his wife, Hillary, was reserved a place for Argentine President Carlos Menem. On television, however, Menem was left out when the camara focused on the U.S. President.

Clinton said: "Our objectives for this summit are clear. We want to extend free trade from Alaska to Argentina. We also want to strengthen our democracies and to improve the quality of life of our peoples."

In a short and uninspired speech, the U.S. President said that these objectives are interconnected. He urged all leaders of the 33 invited countries to join the United States in a "partnership for prosperity."

Clinton added: "Those who study about the Americas know that this is an old dream. "In the decade of the 1820's, with the awakening of freedom for the new Latin American republics, Simon Bolivar dreamed that the Americas could become the best region on earth and I quote him, 'not so much for its large territory and wealth, but because of its freedom and glory.' Now, 170 years later, Bolivar's dream for the Americas is becoming a reality."

Clinton and his guests will spend 10 December in meetings without a rigid format. The summit ends on 11 December with the release of a "Declaration of Principles" and a "Plan of Action," the feasibility of which is placed in doubt by the large number of its objectives, the failure to identify them, and the lack of criteria to achieve them. As a result, the entire summit may become little more than a U.S. reediting of Bolivar's dream, like Franklin Roosevelt's Good Neighbor Policy, John Kennedy's Alliance for Progress, and George Bush's Initiative of the Americas. Will a discredited President such as Clinton be able to do better? The end of the Cold War, the democratization of the continent, and the process of economic globalization have strengthened the economic and political logic of hemispheric integration. Clinton's guests have arrived in Miami skeptical and distrusting. They will give their answer to the U.S. leader's invitation beginning tomorrow, when they start to return to their capitals.

Franco To Meet Clinton in Washington

PY1112170894 Sao Paulo AGENCIA ESTADO in Portuguese 1304 GMT 10 Dec 94

[By Moises Rabinovici]

[FBIS Translated Excerpt] Miami, 10 Dec (AE)—President Itamar Franco will meet President Bill Clinton at the White House on 13 December. He will arrive in Washington in the afternoon of 11 December. President Clinton extended this invitation as soon as he learned that President Franco would visit the city. Brazilian Ambassador to Washington Paulo Tarso Flecha de Lima said the invitation was "Very kind of him." So far, however, the time for the meeting has not been settled. President-elect Fernando Henrique Cardoso returns to Brazil at 0100 in the morning of 12 December. He leaves Miami at 1500 on 11 December. He had a meeting scheduled with Clinton; they should have met during the Americas' Summit, but now they will only meet, for a working meeting, sometime before June 1995. Socially, however, they have already met, on 9 December, in the evening, during the first dinner of leaders of the Americas and the Caribbean. [passage omitted]

President Franco should have made the toast during the gala dinner on 9 December, but Argentine President Carlos Menem, the summit's star, ended by doing it. There have been changes. Brazil has been asked to deliver a short closing speech, in addition to other speeches to be delivered by heads of state of the Caribbean, Central America, and North America. Before the end of the summit, already during the first day of the meeting, the attending diplomats were celebrating "the success," the consensus over the establishment of a "Free Trade Area of the Americas" (FTAA) before the year 2005. [passage omitted]

Continental Integration 'Difficulties' Noted

PY1112215994 Sao Paulo AGENCIA ESTADO in Portuguese 1516 GMT 10 Dec 94

[FBIS Translated Text] Miami, 10 Dec (AE)—Difficulties for the U.S. project of continental integration have started even before Clinton's guests sit down at the table at the Country Club Ballroom of the Biltmore Hotel for the dinner that will open the meeting.

The first of these difficulties may have been introduced by Clinton himself in the speech he made in Miami on 9 December, a few hours before the opening of the Summit of the Americas. The U.S. President has reintroduced labor union rights and environmental protection among the criteria that must mark the FTAA [Free Trade Area of the Americas; Area de Comercio Livre das Americas—ACLA]. No matter how praiseworthy these two topics are, neither is recognized by the GATT as an ingredient of trade policies. For this reason, they are not included in the part referring to trade in the Plan of Action that will be approved during the summit. Countries potentially interested in a FTAA compatible with the GATT rules, Brazil among them, will certainly oppose this.

Issues still more specific, such as strategies for the control of telecommunications services and deregulation of financial services, will certainly create friction. Brazilian and U.S. businessmen were still disagreeing today, for example, regarding the telecommunications issue, particularly about the adverb "full" before the noun "privatization." The Brazilian Government insisted on eliminating the word "full."

The greatest doubt about the future of the FTAA, however, is not in Brazil or Latin America. It resides in the sudden volatileness of the U.S. domestic policy.

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After two costly political battles to ensure ratification of the North American Free Trade Accord—the free-trade agreement among the United States, Canada, and Mexico—and the new GATT, the weak and faltering Clinton administration may not have enough power or sufficient energy to make its own project for continental integration function.

The test will be provided by Chile. On 11 December—after the summit ends—Clinton, Mexican President Ernesto Zedillo, and Canadian Prime Minister Jean Chretien will announce their willingness to negotiate Chilean admission into the NAFTA. This is not exactly the model established for integration, which will have to occur by convergence of the different regional accords. Chilean inclusion in the NAFTA, however, will serve to measure the U.S. political appetite for the regional project.

Washington promised Santiago to seek a special congressional authorization for the approval of Chile's inclusion in NAFTA under the "fast track" [preceding two words in English] system, which prevents congressmen from making amendments to the accord negotiated by the two governments. The Republicans, who will have control over the next Congress, are philosophically more favorably inclined toward free trade than the Democrats. Last week, Gore forecast the approval of "fast track" for Chile. He asserted: "The two parties support the free trade policy." It is hard, however, to find anyone outside the White House forecasting the same thing.

Cardoso Names Health, Army, Other Ministers

PY1212125294 Rio de Janeiro O GLOBO in Portuguese 9 Dec 94 p 3

[Report by Jorge Bastos Moreno and Tales Faria]

[FBIS Translated Text] Brasilia—President-elect Fernando Henrique Cardoso yesterday made progress in naming his cabinet by asking incumbent Army Minister General Zenildo de Lucena to remain in his post. In light of a refusal by Ciro Gomes, Cardoso has asked Adib Jatene to be his health minister. Senator-elect Antonio Carlos Magalhaes will hand pick a minister. It is believed he will choose Raimundo Brito, the incumbent Bahia transport secretary, even though Magalhaes had submitted three other names to Cardoso. Brazilian Labor Party President Jose Eduardo Andrade Vieira will be the agriculture minister unless he refuses. Andrade Vieira is examining the possibility of returning to the Industry and Commerce Ministry, where he already served under Itamar Franco.

Cardoso favorably views a Liberal Front Party [PFL] suggestion of appointing Deputy Gustavo Krause as education minister. Cardoso confided to one politician that Finance Ministry executive secretary Clovis Carvalho will head the civilian household.

The most difficult task for Cardoso was to make his first cabinet appointment, which he accomplished by appointing Pedro Malan as finance minister. The remaining appointments are conditioned to political and personal problems. As Senator-elect Jose Serra (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo] is reluctant to accept either the post of education or industry and commerce minister, Cardoso is considering reshuffling some names. While it is almost certain that Gustavo Krause (PFL-Pernambuco) will head a secretariat to promote development in the northeastern region, he may also be appointed education minister. Economist Paulo Renato Souza, whose appointment as planning minister was almost certain, is also being considered for education minister.

Regarding other PFL members, the appointment of Deputy Reinhold Stephanes as social security minister has already been confirmed. A third PFL minister will be appointed from a list comprising Antonio Imbassy, Raimundo Brito, Rodolfo Tourinho, and Paulo Gaudenzi—all of whom are linked to Antonio Carlos Magalhaes. Cardoso has already obtained the PFL approval to appoint PSDB Secretary General Sergio Motta as communications minister.

Cardoso has told his aides that he would like to appoint sociologist Francisco Weffort, of the Workers Party [PT], as culture minister. Cardoso's first choice for this position was Roberto Muylaert, director of TV Cultura, but he refused to leave Sao Paulo to live in Brasilia. Weffort discussed the appointment issue with PT leader Luiz Inacio Lula da Silva, who told him that he could not possibly predict the PT reaction to his appointment.

PMDB To Support Cardoso's Proposed Reforms

PY1012012994 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Dec 94

[Report by Betty Velloso at the Brazilian Congress]

[FBIS Translated Text] The Brazilian Democratic Movement Party, PMDB, today decided to lend its support to President-elect Fernando Henrique Cardoso for the implementation of political and socioeconomic reforms under his government.

The PMDB National Council has decided to accept Cardoso's invitation to take part in the decisionmaking process of the new government. According to PMDB President Luiz Henrique, the PMDB's participation will begin next week.

[Begin Henrique recording] In keeping with its decision, the PMDB National Council has authorized us to start negotiations with the government on the terms proposed by our party. I have arranged a meeting with President-elect Cardoso for 12 December to inform him of the result of this meeting and to start the negotiations. [end recording]

The PMDB National Council has also approved a number of proposals that will be delivered to Cardoso. Included among these proposals are the downsizing of

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the state; the strengthening of the single health system; social security, tax and education reforms; a policy of reducing public expenditures; and consolidation of the Real Plan.

CNEN Authorizes Reopening of Nuclear Plant

PY0912201994 Sao Paulo AGENCIA ESTADO in Portuguese 2002 GMT 8 Dec 94

[Report by Tania Malheiros]

[FBIS Translated Text] Rio de Janeiro, 8 Dec (AE)—The National Nuclear Energy Commission (CNEN) has authorized the reopening of the Angra-1 nuclear plant. The CNEN authorization, which was issued last night (7 December), will be published by the DIARIO OFICIAL DA UNIAO on either 9 or 12 December. CNEN has authorized the reopening based on reports prepared by Furnas Electric Power Plants, Inc. [FCE], which manages the plant. The reports show Angra-1 has been ready to resume operations since May. The authorization has been confirmed by CNEN President Jose Mauro Esteves dos Santos.

Admiral Mario Cesar Flores, head of the Strategic Affairs Secretariat (SAE), has approved an emergency plan for evacuating Angra dos Reis residents in the event of an accident at Angra-1. The plant was shut down on 3 March 1993 because of defective fuel rods (containing enriched uranium) in the pressure vessel. FCE President Ronaldo Fabricio said if Angra-1 remains disconnected from the power grid, power cuts may be implemented in southeast Brazil.

The results of a $5 million international bid to manufacture "super-compact racks" will be announced within the next 20 days. These racks (which are like barred cages made of steel mixed with boron) will be set up at the storage pool for spent fuel. They will be used to store all the fuel elements to be burned at the plant until it is definitively shut down, which should happen within the next 15 or 20 years. This information was also confirmed by CNEN President Esteves.

The FCE announced the following companies are participating in the bidding: Nuclear Industries of Brazil (INB), which is associated with the French Societe Generale Pour Les Techniques Nouvelles (SGN); Germany's Siemens; and the U.S. company Roltec. All companies submitted their proposals on 2 December. FCE experts said that CNEN was planning to entrust these tasks to Nuclebras Engineering, Inc. (Nuclen) and to Nuclebras Heavy Equipment, Inc. (Nuclep), whose activities have been virtually paralyzed, but legal advisers noted that the laws dictated that an international bidding be called in this case.

Notices for prospective bidders were first published from 18 to 20 July. At the request of interested companies, another notice was published from 29 September to 4 October extending the deadline for submission of proposals until 2 December. FCE directors have reported that the current storage capacity of the Angra-1 pool totals 363 fuel elements, which will be tripled with the installation of the two racks. The Angra-1 nucleus has 121 fuel elements. Since 1985, when Angra-1 went into operation, 164 elements, which were replaced during four reloadings, have already been stored at its storage pool.

Controls on Chemical Precursors Tightened

PY0912212694 Sao Paulo AGENCIA ESTADO in Portuguese 2118 GMT 8 Dec 94

[Report by Sonia Cristina Silva]

[FBIS Translated Text] Brasilia, 8 Dec (AE)—President Itamar Franco this morning signed a provisional measure and a decree establishing a system for controlling and monitoring chemical substances, either manufactured or sold in Brazil that may be used for processing cocaine or other drugs. Manufacturing companies, processors, and packers have 90 days from the date of publication of these measures in the DIARIO OFICIAL DA UNIAO to obtain a license to operate. Sales, transportation, importations, and exports of chemicals will also be monitored. The Federal Police [PF] will control these activities. Those failing to comply with the provisions may face criminal charges.

Justice Minister Alexandre Dupeyrat noted that although Brazil is not a major cocaine processing center, it imports and exports large quantities of these chemicals. Dupeyrat said these chemicals may be being diverted to cocaine-producing countries like Bolivia, Peru, and Colombia. He said: "The measure falls within the framework of international cooperation to hinder the production and trafficking of cocaine."

A decree signed by Dupeyrat specifies the chemicals that will be subject to control. They are: acetone, hydrochloride acid, sulphuric acid, acetic anhydride, chloroform, methylene chloride, ethyl ether, methyl ethyl acetone, potassium permanganate, sodium sulfate, and toluene.

The provisional measure cuts to just one year the validity of licenses for companies manufacturing these chemicals. It is believed the measure will affect 50 companies nationwide, most of which are based in Sao Paulo. Importers, exporters, and drug stores will have to keep a daily log of their stocks and are required to submit detailed monthly reports to the PF on their activities. The provisional measure also makes it mandatory for these companies to use bills of lading when transporting these chemicals from one Brazilian state to another.

Businessmen and factory owners are required to report to the PF any transaction that may raise a suspicion that the products are being used for processing cocaine. The provisional measure provides for three types of sanctions for violators: Confiscation of the merchandise, suspension of the license to operate, and fines ranging from 500 to 500,000 Ufirs [Reference Fiscal Unit]. Dupeyrat said the provisional measure provides for the

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opening of an inquiry upon determining through an administrative process that there has been improper use of the chemicals.

Chile

Frei on NAFTA, Labor, Environmental Laws

PY0912131394 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 9 Dec 94

[FBIS Translated Excerpt] Upon receiving an honorary doctorate in Boston, Chilean President Eduardo Frei lectured at Harvard University, one of the most prestigious universities in the world. [passage omitted]

The Chilean president also visited the central headquarters of the Bank of Boston, the second largest U.S. bank in Chile. Together with the executive president of that bank, (Ira Stephanian), he dedicated the Chile Hall. A few minutes later the strict U.S. security measures adopted by the U.S. Secret Service manifested themselves. Chilean reporter (Roxana Holland) of the Telemundo network tried to interview the Chilean president, and was for this reason deprived of her credentials and forced to abandon the building, a few minutes before President Frei began a meeting with approximately 100 representatives from companies with interests in our country.

At that meeting, Frei said that an exemplary transition toward democracy is taking place in Chile, characterized by broad political freedom and economic development with social justice.

Discussing the imminent entry of Chile into NAFTA, the Chilean president called NAFTA an instrument for the integration of all the Americas.

[Begin Frei recording] Our perception is that NAFTA is a commercial society that offers one of the key routes to integration and cooperation between the industrialized North and the developing South. Within this framework we are convinced that Chile is a natural candidate to take part in an agreement with the characteristics of NAFTA. Preliminary studies show that our country is well prepared to meet requirements similar to those included in this agreement. For us it would mean an additional step in our efforts toward internationalizing the Chilean economy. [end recording]

Upon concluding his visit to the Bank of Boston, the Chilean president talked to this station about criticism by the United Workers Confederation over Chile's possible entry into NAFTA.

[Begin Frei recording] Concerning labor or environmental clauses, we are in perfect condition to meet the demands. Those countries are also concerned about these matters, and we are going to keep enhancing our laws on the matter. Before leaving for the United States I signed a new document in the control area, and another law which benefits those sectors. I also met with Education Minister Jorge Errate. We are now concluding the technical evaluation of the labor reforms, and we want to expand the laws so that other workers who cannot negotiate very well will also be able to negotiate. That is, we have fully fulfilled the program I announced on 21 May, not a single step backward nor forward. [end recording] [passage omitted]

Minister Criticizes Dollar Exchange Rate Decision

PY0712160094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 7 Dec 94

[FBIS Translated Text] Agriculture Minister Emiliano Ortega has criticized the Central Bank's decision to decrease the dollar exchange rate, in view of the serious damage he says this decision has caused to Chilean agricultural exporters.

All exporters have been affected by the drop in the dollar rate, but among them the agricultural exporters are the worst off.

Before the implementation of the Central Bank decision, Chilean agriculture had already been experiencing a difficult situation in view of the sharp drop in profits.

The National Agricultural Association, SNA, had decreed a state of alert, and added that it hoped the government would adopt prompt measures to resolve the situation. The crisis reached Congress, where the Chamber of Deputies summoned a special session to study the situation.

Through the finance minister, the administration expressed its full agreement with the reduction in the dollar rate, but today a different position was heard from within the executive branch. Agriculture Minister Emiliano Ortega, who assumed his duties yesterday after one month of sick leave, criticized the Central Bank decision.

[Begin recording] [Ortega] I believe Chilean agriculture is experiencing an income crisis, which has undoubtedly deteriorated because of the Central Bank decision to drop the dollar value. This situation is an issue of concern not only for Chilean agriculture, but for the entire government. Moreover, I believe that in economics, gradual measures are just as important as prudence.

[Unidentified reporter] Sir, are you saying that the Central Bank was not prudent?

[Ortega] Absolutely. [end recording]

Opposition Leaders Discuss Proposed Reforms

95SM0052A Santiago EL MERCURIO in Spanish 4 Oct 94 p C3

[FBIS Translated Text] For the stated purpose of contributing to overcoming the paralysis they say they see in the government administration, the parties participating

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in the opposition pact known as Union for Chile have resolved to draft their own agenda of economic-social and political-institutional issues with a view to moving forward on the modernization measures that are still incomplete in the country.

The center-right alliance also agreed to exclude from its agenda the issues in the political-institutional sphere on which no consensus has yet been reached among the participants in the pact.

The opposition parties urged the government to reformulate its constitutional reform proposal, after reiterating their conviction that the present proposal contains technical defects, and improperly intermixes desirable features with others that are definitely negative, such as to make its approval in its current form unworkable.

The highest leaders of National Renewal (RN), the Independent Democratic Union (UDI), and the Progressive Center-Center Union (UCCP), as well as the Party of the South, met yesterday at the headquarters of the UCCP. The atmosphere was one of growing confusion on the constitutional amendment issue, within both government and opposition ranks. Indications of increasing distance separating the participants in the right-wing bloc on this issue had already appeared prior to the meeting.

The proposed amendments to the Constitution will be analyzed tomorrow by the Chamber of Deputies Commission on the Constitution, Legislation, and Justice. The changes proposed include replacing the binominal electoral system with a proportional system, elimination of the appointed senators, increasing the oversight authority of the Chamber of Deputies, establishment of norms to speed up the legislative process, changes in the Constitutional Court, and expansion of the president's power to convoke plebiscites.

After a session lasting more than an hour and a half, Senator Francisco Javier Errazuriz, as the host of the gathering, presented a report on the meeting of the participants in the pact.

Francisco Javier Errazuriz

The UCCP leader maintained that the government has handled the constitutional issues improperly. He said the Union for Chile does not agree with the effort to make economic progress contingent upon the political proposals of the executive branch.

He emphasized that the modernization measures must go forward in every respect, in both the political-institutional and the economic-social realms. In this connection, he announced that the pact group has resolved to set forth its own proposals in the two areas within the next few days.

He admitted that on some political-institutional issues, there is still disagreement within the group, and for this reason, these points will not be included in the overall proposal.

He explained that this platform will cover issues such as reorganization of the municipal system, because this is an urgent need felt by the vast majority in the country.

"We have not discarded the excellent ideas contained in the (executive branch) proposal, but we cannot agree to making economic and social progress contingent upon the government's political and institutional proposals. We believe it is possible to make progress in both sectors, and this is why we will set forth our own proposals," he said.

Andres Allamand

Andres Allamand, the president of the RN, noted that the draft amendments proposed by the government have been criticized by members of the Coalition [of Parties for Democracy] themselves because of the technical defects therein and the fact that positive aspects are intermixed with others that are clearly undesirable.

He also stressed that in the chaotic discussion provoked by the government proposal, it has become clear that a broad majority favor increasing the oversight authority of the congress in order to prevent corruption, and that the expansion of the president's power to call plebiscites does not even have the support of the government parties.

Allamand said that despite the informal discussions held in recent weeks, the government has refused to reformulate its constitutional proposal. This has led to paralysis on the issue, added to the stagnation seen in the economic-social sector.

"The internal crisis the government is experiencing and the difficulty it has had in drafting a clear agenda have resulted in this double stagnation," he stated.

"For this reason, our plan is to contribute to the clarification of the nation's course based on the formulation of our own proposals," he added.

He acknowledged that there is disagreement among the partners in the Union for Chile on political-institutional issues, but he said that a real will to undertake joint action prevails.

Jovino Novoa

On the other hand, Jovino Novoa, the helmsman of the UDI, maintained that the primary concern of the Union for Chile is the interests of the country. With that as the context, he believes that priority should be given to the economic and social issues, and that is possible to make progress in some political-institutional respects, as well.

In this connection, he announced that in the course of this week, the parties of the center-right will work on the drafting of an agenda covering all of the issues of interest to the majority of the Chilean people.

He emphasized that priority must also be given to unity of action on the part of the opposition parties, and for

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this reason, it has been decided not to include on the agenda those points within the political-institutional area on which unanimity has not been achieved within the pact. However, he explained that the parties may later promote their respective positions on these matters.

"We believe that this is the patriotic way of avoiding adding to the paralysis that exists in the country today," he asserted.

RN's Pinera on Appointed Senators

95SM0052B Santiago EL MERCURIO in Spanish 19 Oct 94 p C3

[FBIS Translated Text] Senator Sebastian Pinera (RN) [National Renewal] reiterated yesterday that he is urging a further review of the system of appointed senators in order to avoid the politicization of the institutions that will have to appoint them in 1997.

He stated that his view coincides with that adopted by the constitutional commission of his party, National Renewal, in 1989, when the constitutional amendments were negotiated under the miltary regime. It is also consistent with the position of the vast majority of members of his party's current board of officials.

Pinera gave this explanation when he was asked about his view of the government proposal calling for the elimination of the institutionally appointed senators. It is a part of a draft constitutional reform that also includes a proposal designed to speed up parliamentary procedures.

Opposition sectors, the UDI [Independent Democratic Union] in particular, have voiced many harsh criticisms of this proposal, excerpted from a first "package" of reforms, and they have announced that they will reject the package of amendments if some are made conditional upon others. They have also accused the executive branch of blocking any progress toward an agreement and of opting for a confrontational strategy implemented by means of untimely or undesirable measures.

The elimination of the appointed senators, who occupy nine seats, would increase the popularly elected members of that body from 38 to 47. This would lead to an increase in the number of district seats for the Senate, thus altering the binominal system.

UDI Deputy Juan Antonio Coloma said that the proposal of this new amendment is "political blackmail," because an effort is being made to puts some sweets in measures that will be good for the people of Chile by mixing them with proposals that will have a very different political effect, as is the case with the appointed senators. Meanwhile, two institutional senators—Olga Feliu and Ronald McIntyre—maintain that this is not a "serious" amendment, because the political sectors involved want to eliminate this practice in order to increase their Senate representation by nine seats.

Minister Secretary General of the Presidency Genaro Arriagada responded to these criticisms yesterday in Valparaiso. He was categorical in his refutation of them.

Senator Sebastian Pinera

Senator Sebastian Pinera of Santiago (RN) said that the practice of appointing senators, as it is organized at present, should not be a permanent arrangement for two basic reasons. First of all, he thinks it is more democratic for the citizens to assess the merits of and elect the senators. And secondly, since the present binominal system tends to create two major congressional blocs, one supporting the government and the other in opposition, the majority in the Senate, without which no law can be passed, will always tend to be determined by the appointed senators.

If that is where the control of political power, the elections, and the campaigns lies, then it will not be the eight or nine million voters throughout the country who determine the political majority in the Senate, but the institutions that designate the appointed senators, Pinera said.

He noted that this means the politicization of the Supreme Court, "which appoints three senators, and in the short or long run, it will lead to the politicization of the National Security Council, which appoints another four senators."

When asked whether his desire to see this institution eliminated means that he will vote for legislation on these amendments in the Senate, he had an emphatic answer. "The legislative practice the government is pursuing is a bad one. It is combining two constitutional amendments of a very different nature in a single proposal. This forces the members of congress to make a general pronouncement with no capacity to differentiate between the amendments proposed."

Concerning the report that circulated on Monday to the effect that the RN had given its members of congress freedom of action to vote on the idea of legislation concerning the two constitutional amendments, he said that his party has analyzed and will continue to analyze the constitutional amendment issue in an effort to reach a consensus both within the party, and, insofar as is possible, within the Union for Chile Pact.

In this connection, he pointed out that the Constitution prohibits political parties from instructing their members of congress on how to vote. Therefore, in order to comply with the Constitution, members of congress must always vote on the basis of their best judgment and understanding.

Minister Genaro Arriagada

In refuting the opposition's criticisms, Minister Genaro Arriagada said that "we are not acting on the basis of petty electoral calculations, but on the basis of principle."

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He stated that the government will stand by its proposal because it is very profoundly convinced that the conbress should be fully democratic, "and this is a part of our government platform."

In response to the statements made by two apppinted senators, Arriagada said: "I do not believe that the distribution of seats or quotas is on anyone's mind. If we played that game, anyone could say that our interest is the retention of seats. That is the wrong way to debate the issue."

As to the statements made by Deputy Coloma, Arriagada said that it is improper to talk of blackmail, because this degrades the language and the relationship between the government and the opposition.

In response to other opposition criticisms, Arriagada said that the government has achieved rather spectacular results in all sectors. Thus it has no need of a "parliamentary maneuver" to conceal any situation, because the reality is its great economic success and success in its initiatives.

According to Arriagada, the issue of the appointed senators "should be discussed now, in an objective manner," and not six months before the end of the term of those presently serving (in 1997).

Colombia

Samper Discloses Position on Cuba Before Summit

PA0912182794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] President Ernesto Samper disclosed a few minutes before taking off for the Summit of the Americas, to take place in Miami, Colombia's position on the controversial subject of Cuba's incorporation into the Americas:

[Begin Samper recording] Cuba is not included on the summit agenda. The position of the Colombian Government is included in the Rio Group agreement. We believe it is necessary to lift the economic embargo, which is harming the Cuban people. It is also necessary to demand progress toward lifting Cuba's internal political blockade. We do not believe, however, either of these requests should be conditioned to the other, because the situation has been ongoing for 40 years.

There is a mental blockade. It is necessary to find new formulas, not to increase the economic embargo's weight on the Cuban people, who are already enduring it, and at the same time to make progress in Cuba's democratization without a detriment to the principle of nonintervention, which is part of international law in inter-America. [end recording]

Samper Backs Rural Security Cooperatives Project

PA1112040594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] President Ernesto Samper has already given the final push to the idea of furthering security in rural areas, even with the use of private alternatives. The announcement practically opens the path to the rural security cooperatives. However, as a good security expert, President Samper sent an advance team to probe the situation before addressing the issue.

The president sent two advance ministerial teams to deal with the issue. The first turn was assigned to Defense Minister Fernando Botero Zea who had to deal with the controversy on the establishment of security cooperatives.

[Begin Botero recording] But, this is a proposal that is totally legal. [end recording]

Government Minister Horacio Serpa Uribe presented another aspect; he created doubt.

[Begin Serpa recording] This plan has good and bad aspects and, the only thing the government cannot do is make a mistake. [end recording]

Once the reactions prompted by both positions and the issue's ratings were evaluated, the president decided to take the initiative as his own. His stance heralds that from now on, ministerial disagreements will be a gauge for controversial issues that require that the president, as usual, have the final word.

New Police Director Changes Cali Search Bloc

PA1112043394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 8 Dec 94

[Report by Consuelo Garcia; from the "Cripton Newscast"]

[FBIS Translated Text] The police component in the armed operational commando unit that seeks and combats the Cali Cartel's main chieftains will be reorganized in the following days. General Rozo Jose Serrano Cadena, the new police director, reported a few hours ago that he will increase and reinforce the intelligence sector and will provide improved, sophisticated electronic tracking equipment to support them. The new police director also announced that he will not be a desk commander and will personally assume and command all drug operations in the country.

[Begin Serrano Cadena recording] The police component in the search bloc has to be reorganized. We are going to strengthen intelligence and use all available mechanisms. [end recording]

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Gen. Serrano is quite aware, however, that he has to fight hard to beat corruption and asserted that he will be relentless in chastising police who behave in an unprofessional manner.

[Begin Serrano Cadena recoding] We have to demand that the police's actions be aboveboard. We have to reduce corruption internally because it causes us great harm. I have brandished the flag of police honesty, and corrupt officers will be removed when material is stolen. [end recording]

Andean Jurist Commission Issues Human Rights Report

PA0712220594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 6 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] The human rights issue continues to be a headache for the Colombian Government. It returns to the forefront today, because the Andean Jurist Commission, the most important nongoverment organization in the country, issued its report today, and the numbers are alarming once again. Despite the fact the report covers the last six years, the Samper government has had its ears boxed:

Ten people have been tortured, killed, or kidnapped every day since 1988. Although President Samper has vowed to change this situation, the Andean Jurist Commission hears too much talk and sees little action. The commission cites various examples of this behavior: first, the government's position to support the Senate in its decision to maintain the military code and the code of obedience in the case of forcibly missing persons; second, the government has not complied with the recommendations of the Human Rights Commission; third, it has kept the special measures that restrict human rights and limit legal guarantees; fourth, the government ignores the recommendations of international human rights organizations to dismiss from the Army soldiers who are tainted with links to paramilitary organizations.

Human rights violations trascended our borders long ago. A sanction against the Colombian Government is being circulated at this moment within the inter-American Human Rights Commission regarding the disappearance of two teachers. Paradoxically, former President Gavira will have to sign the sanction if it is approved. Gaviria did not pay any attention to the same accusation at that time.

This is a case of an inherited mixup. Gaviria passed to Samper the trial the Inter-American Court was conducting against Colombia for the disappearance of two professors. He left them in Samper's hands, because he dodged the issue of the sanctions imposed by the commission that investigated the case while he was president.

[Begin Nodelia Parra recording, wife of one of the missing teachers] No one has been arrested as of this moment. We have exhausted all efforts. The effects of the depositions of the witnesses have been negative. [end recording]

What is certain is that the affirmation of the sentence against the state could bring about international trade sanctions. The president himself has admitted as much. Compliance to a policy in the defense of human rights has become a prerequisite for the opening of new markets, possibilities of new investments, and access to strategic materials.

What is certain is that things are not easy for Colombia, because the loss of its reputation in this field has been far reaching. In human rights issues, Colombia has been criticized as much as Iran or Haiti.

The issue becomes even more complicated, because a former Colombian president, Gaviria, the OAS secretary general, is going to sign the sanction.

Minister Explains Minimum Wage Adjustment

PA1112165594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 8 Dec 94

[Telephone interview with Development Minister, Rodrigo Marin Bernal, by reporters Carlos Ruiz and Judith Sarmiento in Santa Fe de Bogota; from "Caracol's 0600-0900" newscast—live]

[FBIS Translated Text] [Ruiz] The government, management, and the workers reached a final agreement on the minimum wage adjustment this morning before dawn. This obstacle was the last for the Social Pact, the pact President Ernesto Samper and Development minister Rodrigo Marin Bernal offered to, negotiated, and finally reached with management and the workers. It is directed at reducing inflation, increasing productivity, and improving the Colombian people's standard of living.

We have a report on the success of the Social Pact and the 20.5- percent minimum wage adjustment by Development Minister Rodrigo Marin Bernal, the president of the Social Pact Commission. Good morning, Mr. Minister.

[Marin] Good morning to you, Carlos, and all our friends at Caracol and your listeners, of course.

[Ruiz] Yes, and justifiably so, because this result stems from a painstaking effort to find agreement among the government, management, and the workers. Each one has contributed to this agreement effort, which will gradually bring down inflation to a more agreeable level for overall economic development and wil increase the wellbeing of the people.

There tend to be skeptics when agreements such as these are being discussed. What will guarantee the fulfillment of all the commitments to be signed tomorrow as part of the Social Pact? In other words, what assurance can the

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Colombian Government offer the people that all these services, both private and public, will not surpass the 18-percent limit?

[Marin] The most severe opponents of the Social Productivity, Prices, and Wage Pact say: If the pact meets three basic conditions, it is perfectly possible for it to achieve the goals and objectives it has set forth. These conditions are: 1. a stable macroeconomic atmosphere; 2. the establishment of follow-up and evaluation procedures for the main commitments of the agreement; and 3. public and private consumer price controls to keep them under government supervision and regulation and thus secure the inflation goals.

These three [as heard] conditions are clearly addressed in the main body of the text of the Social Pact:

1. The macroeconomic conditions are there. They are the result of an accord reached between the government and the Bank of the Republic Board of Directors by which interest rates of debit notes will not surpass an average 24 percent. Credits to the private sector will not surpass 35 percent per year, and fiscal policies will be adjusted according to the performance of the first two macroeconomic variables.

2. The agreement has established follow-up and evaluation procedures to be implemented by a three-part commission. The commission will have four government representatives, four union representatives, and four business representatives. This technical commission will be appointed before the end of the year and will have the support of a group of specialists who will be tasked with keeping an eye on the prices of goods and services that make up the family budget. The commission will hold regular general meetings at its main office, which will be located on the seventh floor of the old Avianca Building on the corner of 7th Avenue and 16th Street. In addition, the government has agreed not only to keep its own prices, meaning gasoline and utilities, within the limits of the 18- percent inflation rate but also to strictly abide by all those laws regulating the prices of such critical things as the cost of housing, the so-called sensitive medicines, [word indistinct], school tuition, and public transportation.

[Sarmiento] Two reports were released simultaneously with the announcement of the success of the Social Pact and the minimum wage accords. The first stated universities may increase their tuitions more than 18 percent, based on what the Council of State has stated. The second stated the district had increased its workers salaries by 24 percent, an increase which could become an example for other territorial organizations to follow. Couldn't that measure undermine the Social Pact?

[Marin] Not at all. Those are manifestations of the old ways, which were marked by a high absence of discipline regarding the influence on the economic indicators and the relationship with the state itself. Unfortunately, according to our studies, the state, by which I mean the nation, the departments, and the municipalities, is largely responsible for the increase in consumer prices. Why? Simply because the price of such goods and services, utilities, gasoline, medicines, housing, and public transportation, significantly increased over the inflation rate during the last few years. I personally did an exercise in which I calculated we would have an inflation rate closer to 20 percent today if the state's prices for gasoline, utilities, and such and the price of private services that were supposed to be regulated had remained consistent with the 19-percent inflation rate goal for 1994.

Under the present circumstances, the government will contribute effectively and openly to reaching the inflation goal by committing itself to reducing these prices to 18 percent during next year. The government, of course, still acts with enormous difficult regarding its local authorities. Its work is impaired by the autonomy with which the municipal legislatures act, especially as the Constitution grants them the authority to do so. The economic indicators, the state organizations, and the national legislative bodies that do not depend on the central government will begin responding, however, to the requirements of the central government's commitments as they begin perceiving and assimilating this new atmosphere. The government's commitments in this process will require the governors and mayors to act in the same way.

I have been present at three meetings with mayors and governors of the central region, the eastern region, and the Atlantic coastal areas that took place on 2 and 5 December. The mayors formally and firmly agreed to carry out their part of the commitment. If they have enough political influence to guide their respective municipal councils, they will do so in the future, following the commitments they too have made.

Government, Business, Labor Sign Social Pact

PA1112044294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] A few minutes ago the country signed the social pact. After long discussions, we managed at last and for the first time in eight years to reach a wage agreement. With this we surmounted the last obstacle to seal the pact. The agreement was made official with the signatures of President Ernesto Samper, businessmen, and workers. Having accomplished this, the government launches its flag program and Colombia shows that, despite the differences, agreements can be reached.

Starting today, speculation and hoarding will be the country's public enemy number one. Government, businessmen, and workers agreed to fight to have less than an 18 percent increase.

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[Begin Samper recording] The important issue now is not to confuse the will to agree with weakness. To be weak is not to have the capability to summon society or get it to make a commitment on goals such as the ones we have included in the pact we are signing today. The pact probably does not include everyone but I can assure you that all the ones who signed have the will to comply. [end recording]

We will have to wait to see if the social pact works and if we have an inflation rate of less than 18 percent in 1995.

Ecuador

President Vetoes Bill To Redistribute Revenues

PA1012044794 Mexico City NOTIMEX in Spanish 0935 GMT 8 Dec 94

[FBIS Translated Text] President Sixto Duran-Ballen has vetoed another draft bill submitted by the legislature, the third bill he has vetoed in less than two weeks, thus increasing the tension between the Duran-Ballen administration and the parliamentary opposition.

Shortly before traveling to the United States to attend the Miami presidential summit, the president vetoed a draft bill proposed by Congress to redistribute the fiscal revenues for regional governments.

The announcement was made by Carlos Larreategui, secretary general of the administration. He argued that the bill, which was intended to decentralize the government administration, would not meet that objective but would redistribute income instead.

President Duran-Ballen had previously vetoed a draft bill increasing pensions to retirees and a reform to the existing Hydrocarbons Law, which deprived him of the authority to set fuel prices every month.

Official Denies Report on Increase in Army Size

PA1112041194 Mexico City NOTIMEX in Spanish 1528 GMT 10 Dec 94

[FBIS Translated Excerpt] Defense Minister Jose Gallardo has dismissed reports by the foreign media that Ecuador had increased the number of its soldiers, a local newspaper stated today.

Gallardo said "military personnel has been reduced in an overall and absolute manner, although not by a large number because we never really had too many," according to a report by Quito's daily EL COMERCIO. The defense minister was thus reacting to a report by THE MIAMI HERALD that Ecuador had increased its number of troops from 38,000 men in 1981 to 58,000 in 1994. The report was based on data by a specialized magazine edited in London.

He added that this policy is based on the consideration that a young man doing military service costs the state less than a soldier, and also has the objective of contributing to training "discipline, patriotic, and committed" young people."

Gallardo noted that the current number of enlisted men is smaller than that of young people doing their temporary military service.

According to EL COMERCIO, the realization during a brief confrontation with Peru in 1981 that there were 30,000 Ecuadoran soldiers compared to 130,000 Peruvian soldiers led them to increase the size of the Ecuadoran army. [passage omitted]

IESS Rejects Proposed Social Security Reforms

PA0712134294 Quito Voz de los Andes in Spanish 1200 GMT 6 Dec 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Members of the IESS [Ecuadoran Social Security Institute] Technical Advisory Council have said a mixed-style reform of the social security system as the government proposes is not justified, because it is an attempt to copy the models of other countries without considering whether the conditions for its implementation exist in the country. They have said the government mistakenly assumes the broad range of administrative, technical, and financial irregularities in the IESS has created conditions similar to those that have led to the bankruptcy of the Argentine, Chilean, and Uruguayan systems. Nevertheless, the dimensions and characteristics of those systems before being reformed were completely different from those of the Ecuadoran system, they added.

The coverage was practically universal in those countries, their financial deficit was chronic, and, above all, the number of pensioners was high, constituting an economic burden for the system according to Carmelo Meza Lago [not further identified]; in other words, they were in a phase of maturity.

The coverage is limited in the Ecuadoran system due to the existence of a reduced labor market, and the financial deficit is not alarming. In this regard, (Ruben Loboglo), the foreign expert who has advised an interministerial commission on a report entitled Support for the Reformulation of the Pension System, has said there is only a problem of cash and not a chronic deficit in the IESS.

Minister Urges 'Great Responsibility' on Constitutional Reform

PA1112183894 Quito Voz de los Andes in Spanish 1200 GMT 9 Dec 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Government Minister Marcelo Santos has said the constitutional reforms are a complex legislative act that need to be handled with great responsibility. Santos believes the congressmen will produce a

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bill during the 100 days Congress reviewing the reforms that will be turned over to the president of the Republic after being approved by the legislative branch.

Paraguay

Rosa Rodriguez Murder Suspect: Military Officers Involved in Drugs

PY0612221294 Asuncion ABC COLOR in Spanish 6 Dec 94 p 69

[FBIS Translated Text] Captain Juan Emiliano Ruiz Diaz, the main suspect in the murder of General Ramon Rosa Rodriguez—the executive secretary of the National Antinarcotics Secretariat, Senad, and his driver Abundio Fleytas—stated on 5 December that several high-ranking military officers are involved in the drug trade. Among the names he mentioned are Alto Parana Department Governor Carlos Barreto Sarubbi who, according to Ruiz Diaz, heads the so-called "Turkish Cartel." Ruiz Diaz told the judge that he would withhold, for the time being, the names of the two other alleged Paraguayan drug bosses. He also revealed that Fahd Yamil and someone known as "Gringo Gonzalez" run the so-called "Pedro Juan Caballero Cartel."

In his marathon testimony to Criminal Judge Atilio Rodriguez, Capt. Ruiz Diaz mentioned the names of some Paraguayan drug bosses and said that Gen. Rosa Rodriguez had a list of Paraguayan drug kingpins that he called "ten by two."

The captain explained that this was a list of members of three drug cartels operating in this part of South America. He said that the late Gen. Rosa Rodriguez had told him that one of these—the "Turkish Cartel"—operated in Ciudad del Este.

Ruiz Diaz told the judge that "the Turkish Cartel comprised well-known smugglers, namely Agustin Urunaga, Reinerio Santacruz, Gustavo Perez Samaniego, Governor Barreto Sarubbi, and Captain Florencianez, a Cavalry officer who checked the profits and made sure Generals Oscar Diaz Delmas, Roosevelt Benitez, and Santiago Zaracho got their share."

He added: "Governor Barreto Sarubbi also ran a Brazilian cartel with a Paraguayan fashion model, and Major Casanas, retired. Maj. Casanas was discharged during former President Alfredo Stroessner's regime for involvement in drug trafficking."

Ruiz Diaz explained that all these names were mentioned in documents that Gen. Rosa Rodriguez had in his briefcase at the time of the attack. He added that the general had information about a "Pedro Juan Caballero Cartel, run by Fahd Yamil and Gringo Gonzalez."

He told the judge: "The Navy also had its own cartel run by Captain Lezcano and Admiral Roig [War Fleet Commander Rear Admiral Manuel Roig Benitez] who answered directly to [Armed Forces Commander] Vice Admiral Gonzalez Petit."

He also reported that "there was another cartel which handled drug shipments from Asuncion to Europe and to the United States," run by Lieutenant Colonel Sanabria and "pilot Viveros Cartes."

Ruiz Diaz said: "Your Honor, I ask you to be very careful with this information. The general knew all this and was killed. The general was very honest. He kept close tabs on the way Senad spent money. He did not like squandering money. I never met a more honest person and I was proud to have him as my chief."

After praising the late general, Ruiz Diaz indicated that the atmosphere which prevailed within Senad a few weeks before the attack was very tense because of internal investigations and squabbling among agents and officials of the National Narcotics Directorate (DINAR).

He added that Special Agent Miguel Angel Berni and DINAR Chief Superintendent Publio Fretes were fighting, apparently over a shipment of 20 kg of cocaine.

"The atmosphere in Senad was bitter and confused. Two people who were working for the U.S. Embassy, namely Special Agent Berni and Deputy Superintendent Pedro Rodas, were facing an internal affairs investigation. It had been decided, together with Superintendent Fretes, to dismiss them," Ruiz Diaz said.

He explained that Fretes "really hated" Berni. This hatred became especially noticeable after Fretes took over DINAR.

Ruiz Diaz said Fretes "never" forgave Berni and Rodas for fighting with him over a shipment, but the captain did not explain what Berni did with said shipment.

Ruiz Diaz reported that Deputy Superintendent Pedro Rodas was permanently stirring up people at Senad, creating confusion and distrust among officials. This situation was worsened by the fact that Berni was being investigated on Gen. Rosa Rodriguez' orders.

Praising the DINAR special agent, Ruiz Diaz said: "Beside being a capable drug enforcement officer, Berni helped all his friends, and nearly all the big shots, because he had a lot of contacts."

In his testimony to the Military Court, however, Capt. Ruiz Diaz stated that Special Agent Berni and Deputy Superintendent Pedro Rodas, were responsible for the death of Gen. Rosa Rodriguez and his driver Abundio Fleytas.

The captain also told Judge Atilio Rodriguez that Gen. Rosa Rodriguez was constantly voicing his annoyance over U.S. Embassy interference with Senad affairs. He said the late general repeatedly complained about interference by DEA agents in Senad.

Ruiz Diaz told the judge that the late general used to tell him time and again: "Remember, I give the orders. I am a military officer and, while I have this job, no gringo will run the place."

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Further on Suspect's Testimony

PY0712115394 Asuncion ABC COLOR in Spanish 6 Dec 94 p 70

[FBIS Translated Text] After 12 hours of uninterrupted testimony before the judge, Artillery Captain Juan Emiliano Ruiz Diaz yesterday reported that a sixth unidentified person fired the shot that killed [former National Antinarcotics Secretariat chief] General Ramon Rosa Rodriguez, retired. Capt. Ruiz Diaz noted that during the second attempt, he received a hard blow to his head, and heard the voice of First Lieutenant Luis Lugo ordering that he be killed.

During his testimony Artillery Captain Juan Emiliano Ruiz Diaz yesterday pointed out that a sixth unidentified person, who allegedly boarded the jeep on the San Miguel curve a few seconds before the fatal event, was responsible for killing Gen. Rosa Rodriguez.

The defendant emphasized that after discovering by radio where the first attempt had taken place, he arrived at the site, outside the International College, and after saluting Gen. Rosa Rodriguez he received the latter's order to board the jeep in which First Lieutenant Luis Lugo, NCO Genaro Mendez, and NCO Miguel Sanabria were already seated.

In his account for trial Judge Atilio Rodriguez Britos, Ruiz Diaz said: "I asked (the general) how he was, and he said: 'I am fine.' Afterwards he ordered me to ask the eyewitnesses if the vehicle actually involved was a white Mitsubishi or a white Land Cruiser. He then ordered me to board the jeep and go with him to the Presidential Guard Health Unit to receive treatment."

Ruiz Diaz added: "The general sat next to the driver (NCO Sanabria), I sat in the rear seat, facing 1st Lt. Luis Lugo, and NCO Genaro Mendez stood between Lugo and myself."

Afterwards, Capt. Ruiz Diaz indicated that Lt. Lugo carried a 9-mm gun and an M-16 rifle, and that the only gun that he (Ruiz Diaz) carried was a small 6.35-mm Beretta pistol with a magazine capacity for seven or eight rounds.

According to Capt. Ruiz Diaz's account, on the way to the site of the second attempt, and before reaching the San Miguel curve, the general ordered the driver to reduce the vehicle's speed. Capt. Ruiz Diaz said: When we arrived at the intersection of the San Miguel curve and General Santos Avenue, in addition to the heavy traffic at that time and the driver's reduction of speed, I saw, out of the corner of my eye, a man boarding the jeep, virtually climbing over me. I saw the man stepping on the rear seat and aiming at the general with a silver-colored pistol, presumably a 9-mm pistol.

Capt. Ruiz Diaz added that, as he tried to pull out the pistol that he carried in his pocket, "I received a strong blow to my head that left me unconscious. I lost consciousness, but heard voices saying: 'Kill him.' I heard three or four shots more, and then I felt someone placing my gun in my hand. [no closing quotation marks as published]

Ruiz Diaz said that 1st Lt. Luis Lugo was the person who shouted: "Kill him."

Capt. Ruiz Diaz also told trial Judge Atilio Rodriguez that after he lost consciousness, and after arriving at the Military Hospital, he discovered to his surprise that his wallet, with 900,000 guaranies inside, his watch, and a bracelet were missing.

The captain's account that a sixth person was allegedly involved in the second attempt, in which Gen. Rosa Rodriguez was killed, agrees with remarks made by eyewitness Julio Galli Riart.

Galli Riart, who lives at the intersection of the San Miguel curve and General Santos Avenue, had emphasized that during the incident he saw three military officers and three men in civilian clothes in the jeep.

Bearing in mind the remarks made by Capt. Ruiz Diaz, the three key witnesses (Lugo, Mendez, and Sanabria) will probably be summoned to expand on their testimony before the courts.

After the incident the three military officers first talked with Vice Admiral Eduardo Gonzalez Petit, General Lino Cesar Oviedo, and the president of the Republic, Juan Carlos Wasmosy.

During their visit to Government Palace, the military officers agreed in pointing out that Capt. Ruiz Diaz was the murderer of Gen. Rosa Rodriguez.

Peru

Shining Path Planned To Bomb U.S. Embassy

PY0912202394 Lima LA REPUBLICA in Spanish 24 Nov 94 p 17

[FBIS Translated Text] National Intelligence Service special agents have captured two Shining Path, SL, terrorists who were carrying a secret document that contains plans and guidelines for car-bomb attacks and for committing selected murders in Lima.

The subversive actions were planned by the Central Committee of the PCP-SL [Communist Party of Peru-Shining Path] headed by Oscar Alberto Ramirez Durand, aka "Feliciano." The documents show the attacks and murders were planned for 26 and 27 November.

According to the SL calendar, which is in the hands of the Dincote [National Counterterrorism Directorate], on those dates there are plans to hold the First National Conference and celebrate the Birthday Anniversary of Edith Lagos.

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The commander of the National Police has ordered all regional police units to take appropriate security measures to prevent the SL from wreaking death and destruction.

"The capture of these terrorists helped to prevent destructive attacks" said a Dincote officer. Dincote is heading the investigation and interrogating the terrorists.

The identity of the terrorists is being kept strictly secret because their testimony will help officials to discover the strongholds and whereabouts of some leaders of the so-called "Leftist Line for Liquidation" of the PCP-SL.

A confidential document of the National Police says SL militants were planning to detonate dynamite-filled car bombs at the U.S. and Japanese Embassies.

They were also planning to attack the Santa Isabel and Wong shops, and the Mantaro Hydroelectric Plant. One objective was to leave Lima in darkness.

Other important actions included the murder of two well-known politicians. For obvious reasons, their identities are also kept secret.

Following the capture of the two terrorists, the National Police and the Army have strengthened patrols in the city's strategic zones. Spokesmen of the 7th Police Region said the security of public and private buildings has also been reinforced.

State of Emergency Extended in Several Provinces

PA1112014794 Mexico City NOTIMEX in Spanish 2329 GMT 10 Dec 94

[FBIS Translated Text] Lima, 10 Dec (NOTIMEX)— A noncommissioned officer of the Presidency Ministry's security corps was shot to death yesterday in Lima's midtown area. Sergeant Octavio Elvis Larrain, assigned to protect Presidency Minister Maria Luisa Federici, was shot in the head. Police agents found his lifeless body next to his car.

According to preliminary information by the Police, Larrain was headed home in the company of a woman, who disappeared following the attack.

On another matter, the government of Alberto Fujimori extended for 60 more days the state of emergency in the provinces of Ayacucho, Junin, Huancavelica, Pasco, and Cusco Departments where actions by terrorists and drug traffickers continue. The measure entails maintaining the suspension of constitutional guarantees, which is why the Army will take control over these provinces, according to official sources.

Joint Command Chairman Announces 'All-Out War' on Drugs

PY1012022494 Madrid EFE in Spanish 1548 GMT 9 Dec 94

[FBIS Translated Text] Lima, 9 Dec (EFE)—General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command and Army commander, has announced that after terrorism is defeated, an all-out war against drug trafficking will be carried out.

On the anniversary of the battle of Ayacucho that was fought in the Quinua fields of Peru, which ended Spanish domination in the continent, and on the Day of the Army celebrated today, the Peruvian press points out the remarks made by General Hermoza and by President Alberto Fujimori, who said in Miami that U.S. aid against drug trafficking is insufficient and ridiculous.

Gen. Hermoza said on Army Day that the victory over the Maoist Shining Path, which he considers eliminated in practice, does not mean we are "filled with delight."

He said: "The healthy pride of our soldiers will never turn into arrogance or vanity." He also referred to the dignity "conquered with our own blood."

He rejected the criticisms against the Armed Forces in relation to the accusations that officers are involved in drug trafficking. He said: "It is easy to offend soldiers knowing that by law they cannot reply."

Gen. Hermoza said that those who never did anything to prevent the progress of the Shining Path terrorists in Peru "never dared protest as they are doing now. They never came out in support of our soldiers, the civilian militia, and the fogotten peasants. In their silence they were accomplices of the irrational terrorist crimes."

According to Gen. Hermoza, the subversive struggle started by the Shining Path in 1980 left 30,000 dead and losses totaling $25 billion in attacks and sabotage.

Hermoza said it is unconceivable that no criticism is made "of the criminals who committed the most cruel crimes with our brothers" and that those who have to answer are the soldiers from their graves or wheelchairs.

Regarding the accusations against Army chiefs and lower-ranking officers who were accused of cooperating with drug trafficking, most of whom have been tried, Gen. Hermoza said: "They are biased actions which try cunningly to stop the operations against drug trafficking and lower the morale."

Gen. Hermoza also denied the existance of a military leadership that governs the Armed Forces by saying that "this belief only exists in the heads of the government opposition."

Gen. Hermoza said that the Army was subject to a "discrediting and destabilizing" campaign from which it emerged unharmed, and that "the obstacles to be encountered now that a decisive struggle against drug trafficking will be carried out" will also be overcome.

According to information disclosed today, the Army completely reopened the Marginal de la Selva highway, which had remained cut off for 10 years by the actions of drug traffickers and terrorists.

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EL COMERCIO reported that the Defense Ministry has purchased late model radar, to replace the equipment withdrawn by the U.S. Government last May, to maintain control over the growing number of flights by drug traffickers using light airplanes in the Peruvian jungle.

According to official sources, the government extended the state of emergency for 60 days in five provinces of Huanuco and San Martin Departments and in northern Peru, zones controlled by drug traffickers and terrorists, who are in alliance with drug smugglers.

Committee Approves Restrictions on Fujimori's Campaign

PY1112221594 Lima Global de Television Network in Spanish 0130 GMT 10 Dec 94

[From the "Vote-95" electoral program]

[FBIS translated Excerpt] After a long debate, the Constitution Committee approved today by majority Article 1 of the draft law submitted by the National Election Board by which President Alberto Fujimori, who is running for reelection, is prohibited, as of 90 days before the elections, from carrying out political campaign activities or from referring, directly or indirectly, to the candidates, in addition to other limitations, when he dedicates government projects or distributes goods purchased with state money.

The draft law also includes three regulations granting the National Election Board all the necessary facilities for carrying out its activities. The approved draft law must now be debated in the plenary session of Congress on 13 December. [passage omitted]

Rimac District To Receive Medical Support From Cuba

PY0912152394 Lima LA REPUBLICA in Spanish 28 Nov 94 p 5

[FBIS Translated Text] Despite the economic crisis, Cuba will support the district of Rimac with modern equipment worth $400,000 to install a mini-hospital, which the local municipality will soon dedicate, to provide health services to about 400,000 people in the district.

This announcement was made by Rimac Mayor Raul Soto Herrera, who has just returned to Lima after attending the Second Meeting of Municipalities of Ibero-America, held in Cuba with the participation of 300 mayors from all over the world.

Soto Herrera met with Cuban doctors and explained to them the needs of the people. He was thus able to obtain Cuban support as part of the goal of mutual aid sought by the international meeting.

"The development reached by Cuba in the medical field is remarkable," said Soto Herrera, who pointed out that the meeting also served to exchange ideas, hold discussions, and propose joint solutions to municipal and social problems in the various countries.

Soto Herrera also arranged to have a Cuban medical delegation visit Peru next January, with their mobile hospital equipment, to provide medical attention to various settlements in Rimac district, and especially to help mothers and babies.

The municipality of Rimac will send a medical delegation for the new mini-hospital to Cuba for training and to exhange experiences with their Cuban counterparts, especially in medical acupuncture.

Soto Herrera will in the next few days dedicate the mini-hospital, which is located in the Amancaes housing area where the municipal library used to be.

The mini-hospital is now under construction. The construction, which required an investment of $400,000 from the municipality's own resources, is being finished.

Soto Herrera said the mini-hospital will provide all medical services.

It will be able to provide health services to 400,000 people, and those with low incomes will have priority.

Fujimori Announces $150 Million Credit From Japan

PY1212110094 Madrid EFE in Spanish 2044 GMT 11 Dec 94

[FBIS Translated Text] Miami, 11 Dec (EFE)—During a news conference in Miami at the end of the Summit of the Americas, Peruvian President Alberto Fujimori today announced that Japan has granted a $150 million credit to Peru, the first in 14 years.

Fujimori said: "This is the first credit Japan has granted (to Peru) in 14 years." He added that $85 million will be used for the Lima water and sewage systems, and that the remaining $65 million will be used for irrigation projects in the Peruvian Andean zones.

Fujimori said: "It is important to point out that the funds have been obtained under established conditions (soft credits), at an annual interest of 3 percent, and that the principal will be paid in 30 years, with a 10-year grace period."

On 9 December, just as Fujimori arrived in Miami with 33 other American presidents to attend the Summit of the Americas, the IDB also announced a $392 million credit for Peru.

The IDB credits will be used for highway repairs and urban development in poor neighborhoods.

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Uruguay

Report Details Senate Composition After Elections

PY0612224794 Montevideo EL PAIS in Spanish 29 Nov 94 p 11

[FBIS Translated Text] The Senate elected during the 27 November elections marks the return of various Colorado Party leaders who served during Sanguinetti's first administration. The main political groups have equal strength in the newly elected Senate.

According to estimates issued by qualified experts, the Colorado Party will have 10 seats in the new Senate.

Sanguinetti's List 2000 will have six senators: Adela Reta or Ricardo Zerbino, as alternates for the Batlleist Forum leader, Hugo Fernandez Faingold, Luis Bernardo Pozzolo, Americo Ricaldori, Luis Hierro, and Orlando Virgili.

The List 94, headed by Pablo Millor, will occupy two seats: One for Millor himself, and one for Dante Irurtia.

Jorge Batlle's List 15 will have one seat for Jorge Batlle himself and List 99 will have another seat in the Senate that will be occupied by Yamandu Fau because Hugo Batalla will become Senate president, as he is a member of the winning presidential ticket.

The National Party Bloc

The National Party will also have 10 seats in the Senate. Alberto Volonte's group will have five senators, Juan Andres Ramirez's group will have four senators, and the National Rocha Movement will have one senator.

Walter Santoro and Raul Iturria would become senators for the Volonte group in a Senate ticket headed by Santoro. Alvaro Ramos and Sergio Chiesa would become senators for the other ticket. The two tickets are competing for another seat that might be occupied by Luis Mallo for the Santoro ticket or Andres Arocena for the Alvaro Ramos ticket.

The Herreraism faction representatives will be current Economy Minister Ignacio de Posadas, Luis A. Heber, Juan Chiruchi, and Carlos Garat.

The National Rocha Movement will be represented by its leader, Carlos Julio Pereyra.

The Progressive Encounter

The Broad Front's bloc in the Senate will largely be comprised of representatives of Uruguay Assembly, Danilo Astori's group. Thus far, the Uruguay Assembly group has confirmed five seats in the Senate and will compete for another seat with List 1001.

The Uruguay Assembly group's senators will be Danilo Astori, Susana Dalmas, Alberto Cid, Alberico Segovia, and Jorge Perrou. Joaquin Rossi would occupy the seat for which the Uruguay Assembly and List 1001 are competing.

The Socialist Party will occupy two seats. These seats will go to Reinaldo Gargano and Jose Korzeniak. Alberto Couriel, for the Artigas sector coalition, will be the other senator.

If the Uruguay Assembly loses its sixth seat in the Senate, it would be occupied by Marina Arismendi for List 1001.

The New Sector

The New Sector, which is headed by Rafael Michelini and made its debut in these elections, won one seat in the Senate. This seat will be occupied by Michelini, who ran for president.

State Oil Enterprise Controls Brazilian Ship's Oil Spill

PY0812163994 Madrid EFE in Spanish 0256 GMT 7 Dec 94

[FBIS Translated Text] Montevideo, 6 Dec (EFE)—Uruguay's state oil enterprise reported today that its experts have been able to control an oil spill caused by the Brazilian vessel "Marium" on the Atlantic coast, not very far from the River Plate.

The oil spill was discovered during the night of 5 December when the vessel was unloading 1 million barrels of light oil at the Jose Ignacio Buoy, 160 km east of Montevideo.

The state enterprise did not report the volume of the oil spill nor the ecological consequences the oil has caused, nor did it report what type of dissolvent was used in the waters of the Atlantic to control the situation.

The oil spill was detected in the neighborhood of the elegant seaside resort of Punta del Este, Uruguay's main summer center for tourists.

Venezuela

Finance Minister on Bonds, CVG Restructuring

PA0912155294 Caracas EL GLOBO in Spanish 6 Dec 94 p 2

[FBIS Translated Text] After presenting his weekly report to the president of the Republic yesterday, Finance Minister Julio Sosa remarked on a few of the financial instruments used by the government to meet its debt commitments and to obtain the necessary resources to restructure part of the debt and absorb excess liquidity.

According to Sosa, dollar bonds that amount to 1 billion [currency not given] should be available in the nation by late December. It should be remembered that when the finance minister officially announced these bonds to absorb the excess liquidity produced by the financial

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assistance in November, he said they would be available in that same month. Therefore, there has been a delay in the program's schedule.

Sosa also reported that bonds for 160 billion bolivares will be issued within two or three days to pay debt commitments. This shows that our country will be able to honor its commitments, despite the changes that needed to be made to the budget to authorize the issuance of the bonds.

On the issue of foreign exchange, the minister chose not to comment, saying the matter concerned the Exchange Administration Board.

When asked whether dollars would be advanced to pay the debt owed importers, the minister said:

We have said that, starting on 1 January, the amount of imports will be verified after they arrive, and this will expedite the granting of foreign exchange.

Julio Sosa Rodriguez also made a conceptual distinction between privatization and restructuring, both of which are required in the process of reforming the government and reducing its size. For him, privatization is the complete selling off of an asset—i.e., selling all of its stock—while restructuring is the selling of most of the stock to a foreign partner that will contribute capital, technology, and markets and will manage the company.

Later, Sosa said Alcasa [Caroni Aluminum, Inc.] must be restructured as soon as possible. He said the word "soon" includes a period that runs until mid-1995, when the Venezuelan Guayana Corporation [CVG] is scheduled to start the privatization of its basic industries. According to the schedule drafted by CVG and the Venezuelan Investment Fund, Alcasa is one of the first subsidiaries on the list.

Denies Bonds Violate International Pacts

PA1012044994 Caracas REPORTE DE LA ECONOMIA in Spanish 8 Dec 94 p 2

[FBIS Translated Text] Finance Minister Julio Sosa Rodriguez said yesterday at Miraflores Palace that the government is not violating any international agreements by issuing dollar bonds.

He made those comments when asked about remarks published by the press, warning that certain U.S. banks are preparing a suit against Venezuela for issuing the bonds since they argue that it "violates" the clauses of the 1990 financial plan that stipulates that new debt bonds cannot be issued under better conditions. Legal experts warned about the illegality of this proposal.

In this respect, he said: "Anyone saying that is not a U.S. lawyer. It would be unconscionable on Venezuela's part to do something for which there would be no legal justification of every kind in Washington."

Despite the remarks by the minister, U.S. banks have felt a violation exists because oil royalties constitute a tax, a unit of the Treasury, that when pledged lowers the flow of revenues and, therefore, lowers the guarantee to cancel the Brady bonds and the rest of the papers, including multilateral papers, that were negotiated under those conditions. "The Brady bonds and other papers issued at international markets lack a formal rigidity regarding the backing created to service them, they have the general guarantees of the Republic. The bonds do not respond to a market situation but the establishment of a safe guarantee," he noted.

It is worth recalling that Cordiplan [Office of Coordination and Planning] has announced that the dollar bonds will be issued this month, whereas the Finance Ministry has stated that a lot of the foreseen amount, $1 billion, would be negotiated abroad to refinance the nonstructured foreign debt. The remaining $2 billion would serve to absorb liquidity of the international market.

On another matter, Sosa announced that the Council of Ministers yesterday approved the luxury and wholesale tax regulations. He did not provide futher details.

Council of Ministers Approves CVG Privatizations

PA0912005394 Caracas Union Radio Network in Spanish 2200 GMT 7 Dec 94

[Report by Cecilia Pachano; from the "Union Radio News" newscast]

[FBIS Translated Text] The Council of Ministers approved the bills on strategic associations and privatization of the Venezuelan Guayana Corporation [CVG]. It is now up to Congress to approve the bills, which are of great importance for the country.

According to Energy and Mines Minister Erwin Arrieta, the CVG enterprises to be privatized are Sidor [Orinoco Iron and Steelworks], Alcasa [Caroni Aluminum, Inc.], Pesilven, Sevegivasilum, Sevenicabonorca [expansions unknown], and Venalum [Aluminum Company of Venezuela, Inc.]. The privatization process will be the responsibility of the Investment Fund, which will study each case individually and establish CVG share participation and interests according to the potential of each enterprise.

PDVSA [Venezuelan Petroleum] strategic shares will be dealt with on a shared profit basis.

[Begin Arrieta recording] According to the bill PDVSA presented, the exploration risk will fall on the shoulders of those interested in searching for these resources—the private investor. [end recording]

Over 200 enterprises from all nations have expressed interest in participating in these plans, which will allow the development of 10 new oil areas. The initial investment in these areas during the exploitation phase is estimated at $600 million, while $11 billion will be

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required for their development. If Congress approves these contracts during their ordinary session, PDVSA could begin the bidding in mid-1995.

BCV President Notes 'Dangerous Campaign' Against Banking System

PA0912163894 Caracas Union Radio Network in Spanish 2200 GMT 6 Dec 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Antonio Casas Gonzalez, president of the Central Bank of Venezuela [BCV], acknowledges that a dangerous campaign against the banking system is taking place. There are certain groups interested in creating confusion among public opinion, a trend which only affects the banking efficiency of the institutions, according to Casas Gonzalez.

Concerning the likelihood of a fourth fluctuation in the banking system, the BCV president has said the system is prepared to confront it without any major traumas should it take place.

The central bank president believes currency restrictions in effect could be eliminated sometime next year. In addition, he has said more than two-thirds of the country's reserves have been recovered.

Fedecamaras President Urges Support for Banks

PA0912175594 Caracas Union Radio Network in Spanish 2200 GMT 6 Dec 94

[Report by Zayda Pereira; from the "Union Radio News" newscast]

[FBIS Translated Text] Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] President Edgar Romero Navas has stressed that the government must show it has confidence in the banks, adding that it should also accept recommendations from the private sector.

Romero Navas made this request based on three major assumptions. The first is one is this: Just as new banking legislation stipulates, the government should continue allowing a three-year period to settle all loans. Because the law has been in effect for one year now, then the remaining period covered should run from 1 January 1995 to 31 December 1996.

On the other hand, the Fedecamaras president pointed out that when rumors against specific banks begin to spread, state agencies should abstain from withdrawing funds deposited in those banks, considering the government will still have to subsidize the institutions through other mechanisms.

In conclusion, Romero Navas discussed a compensation system.

[Begin Romero Navas recording] If rumors about a particular bank being in a delicate financial position begin to spread, and state agencies with funds deposited in this bank begin to withdraw money, the government still will have to subsidize the bank to prevent a possible bankruptcy. This makes no sense whatsoever.

The day that there is some type of guarantee that government officials [word indistinct] are aware that the government is prepared to protect the public's funds at any financial institution over a two-year period by implementing tough supervision mechanisms, then much of the problems we are having will come to an end.

Third, the government should offer some type of compensation to those banks that have been subsidized by Fogade [Deposit Guarantee and Banking Protection Fund]. In other words, there are some account holders with deposits at one bank, but with debts pending at another, and while the bank where their funds are deposited pays 10 percent interest, the other bank where they have pending obligations is charging 50 percent. [end recording]

According to Romero Navas, these proposals do not mean that the private sector is requesting special privileges from the government. What Fedecamaras is requesting are legal guarantees based on legislation already in effect.

Congress Approves Increases in 1995 Budget

PA0912200894 Caracas EL NACIONAL in Spanish 6 Dec 94 p E-1

[Report by Yolanda Ojeda Reyes]

[FBIS Translated Text] After heated debate on the budget, that at Congress' request was increased by almost 500 billion bolivares, the executive will try and make sure that the budget does not exceed 3 trillion in 1995. This means that a firm stance must be taken on requests for additional credits.

A total of 535.567 billion bolivares are expected from petroleum revenues as opposed to 741.329 billion in direct taxes; that is, from liquor (30.698 billion); cigarettes (34.952 billion); gasoline for vehicles (28.572 billion); petroleum by-products (63.526 billion); registration rights (7.463 billion); telecommunications tax (12.547 billion); luxury tax and tax on wholesale goods (498 billion); tax on corporate assets (65.51 billion); and matches (60 million bolivares).

The special revenues that come from the program laws [leyes programas] (resources from multilateral and bilateral agencies) are 109.8 billion bolivares; internal public credit 81.631 billion; repayment by administrators of funds or of payments, 17 billion; privatizations, 250 billion, and "other securities," 156.487 billion bolivares. [figures as published]

The parliamentarians know that these resources "are intangibles" and could increase the fiscal deficit. This is why they

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came up in advance, through the Seniat [National Integrated Service for Tax Administration], with a policy to improve tax collection, particularly of customs and income taxes, evasion of which is estimated at 70 percent. It is expected that 214.49 billion bolivares will be collected in ISLR [income taxes—impuesto sobre la renta].

The servicing of the foreign debt was underestimated by more than 250 billion bolivares. There are plans to solve this through the various alternatives provided for canceling foreign credits. The expenditure this year of an additional 220 billion bolivares will be transferred to 1995, where it might be canceled out with "improved" tax collection.

The Senate's finance commissions "rushed" to approve some of the needs that would be requested by various public institutions in 1995 by proposing an increase in the budget. The executive initially proposed 2.369 trillion, which later rose to 2.63 trillion, and was finally approved as 2,786,469,000,000 bolivares.

Although the minister [not further identified] announced that only one additional credit of 145 billion bolivares would be requested, this amount could increase by the 5 billion earmarked for the Supreme Electoral Council.

The institutions that came out ahead in the increases in the draft bill were the Ministry of Transportation and Communications, that went from 84 billion to 103 billion; Environment Ministry, 86.606 billion to 117 billion; but not so for the Urban Development Ministry, which decreased by 8 billion bolivares.

One can see these reductions in the table below and in the reassignments by the corresponding congressional finance commissions that, as is tradition, thus display their "minor" differences.

1995 BUDGET LAW (in bolivares)

Office	1995 Projection	Breakdown of Financing
		Shortfall
Congress	9,688,000,000	239,873
Comptroller General	5,204,630,463	
Supreme Electoral Council	4,519,940,000	
Secretariat of the Presidency	23,995,325,811	495,536,021
Interior	483,615,131,400	70,000,000
Foreign Affairs	22,045,979,952	2,029,450
Finance	725,269,025,200	2,606,778,757
Defense	171,984,700,000	24,380,983,672
Development	14,537,736,167	1,619,231
Education	525,614,523,918	271,823,164
Health & Social Welfare	176,286,560,169	56,552,800

1995 BUDGET LAW (in bolivares) (Continued)

Office	1995 Projection	Breakdown of Financing
		Shortfall
Agriculture & Livestock	35,368,995,056	23,398,226
Labor	10,849,051,639	12,713,827
Transport & Communications	84,667,670,224	3,220,408
Justice	27,583,500,000	700,276,910
Energy & Mines	2,830,078,200	193,837
Environment & Renewable Natural Resources	86,606,849,175	498,438
Urban Development	129,934,872,028	14,604,234
Supreme Court	837,600,000	
Judiciary Council	20,474,772,800	2,769,100
Prosecutor General's Office	4,829,795,000	
Family	50,843,298,190	5,053,749,192
Attorney General's Office	1,159,700,000	
Budget Amendments	12,181,264,608	
TOTAL	2,630,928,000,000	33,696,987,140

Organ	Breakdown of Financing	Total 1995 Budget
	Reappropriations	
Congress		9,688,000,000
Comptroller General	400,000,000	5,604,390,590
Supreme Electoral Council		4,519,940,000
Secretariat of the Presidency	16,354,752,000	39,854,541,790
Interior	11,826,595,920	495,371,727,320
Foreign Affairs	180,000,000	22,223,950,502
Finance	1,220,000,000	723,881,246,443
Defense	49,374,000,000	196,977,716,328
Development	1,760,500,000	16,296,616,936
Education	22,935,243,375	548,277,944,129
Health & Social Welfare	17,915,296,480	194,145,303,849
Agriculture & Livestock	5,919,360,000	41,264,956,830
Labor	248,899,776	11,085,237,588
Transport & Communications	15,600,600,000	100,265,049,816
Justice	35,400,000	26,918,623,090
Energy & Mines		2,829,884,363

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Organ	Breakdown of Financing	Total 1995 Budget
	Reappropriations	
Environment & Renewable Natural Resources	21,665,700,000	108,272,050,737
Urban Development	932,530,000	130,852,797,794
Supreme Court	387,400,000	1,225,000,000
Judiciary Council	3,000,000	20,475,003,700
Prosecutor General's Office	1,470,300,000	6,300,095,000
Family	18,976,348,457	64,765,897,455
Attorney General's Office		1,159,700,000
Budget Amendments	2,032,061,132	14,213,325,740
TOTAL	189,237,987,140	2,786,469,000,000

Minister Calls 1995 Prospects 'Extremely Encouraging'

PA1112170294 Caracas EL GLOBO in Spanish 9 Dec 94 p E-8

[Report on interview with Werner Corrales, coordination and planning minister, by Gustavo Azocar in San Cristobal on 8 December—first three paragraphs are EL GLOBO introduction]

[FBIS Translated Text] San Cristobal (Special)—Werner Corrales, coordination and planning [Cordiplan] minister, said in this city the economic prospects open to Venezuela during 1995 are extremely encouraging. He also has said even though it is still too early to begin seeing the light at the end of the tunnel, it is quite likely it will be possible to open the door next year, allowing some light to enter the country so that it can be seen that not everything is gloom and despair.

Corrales, who yesterday opened the First Workship on Project Negotiation and Consolidation organized by the Southwest Venezuelan Corporation [Corporacion Venezolana del Suroeste], said "there is too much pessimism on the streets, most of all when there is talk about the country's economic prospects. Those who view the future with gloom are unaware of the harm they cause the country, because it is difficult to attract investors when they believe even Venezuelans themselves have no confidence in their own country."

The head of Cordiplan referred to the predictions made by the experts of the IESA [Superior Administrative Studies Institute] a few days ago and said: "The IESA is a respectable organization of renown excellence. I can say the same of the IESA boys [previous word published in English], a group of men and women who are quite brilliant. I must say, however, they are mistaken this time. No one in his right mind can believe those predictions are based on reality. I would say that the predictions are rather harmful and that they are fatalistic and not forward-looking, by any means."

[Azocar] Do you consider the predictions by the IESA boys [previous word published in English] for 1995 are wrong?

[Corrales] They probably got carried away by the fatalist and pessimist trend maintained by several sectors in the country. They too have fallen in the mood, without noticing it, in which they only see darkness on our path and in which everything that happens in Venezuela is bad or does not work. Those who think this way are not benefiting the country in any way and are only contributing to increasing the climate of uncertainty that has taken command in several sectors.

[Azocar] Do you have another prediction for the country's economic future?

[Corrales] Of course. I believe Venezuela's economic prospects for 1995 are quite positive and encouraging. What is happening, purely and simply, is that it is impossible for the country's problems to be resolved in a day or in four or five months. Time and a great deal of patience are required for solutions to start appearing.

[Azocar] There are people closely linked to the government who have said we will not even see the light at the end of the tunnel next year. Is this true?

[Corrales] I do not know whether it is too early or too late to see the light at the end of the tunnel. What I can say is that we will be able at least to open the front door next year and to allow a small ray of sun to enter our house.

[Azocar] U.S. investment banks say the dollar bonds the government will circulate shortly are illegal and unconstitutional. Could you comment on this?

[Corrales] I repeat—those bonds are neither illegal nor unconstitutional. What the government will do is simply implement the same mechanism used by banks with active cash funds; that is, it will issue dollar bonds backed with oil royalties coming from the flow of crude oil. There is nothing illegal there, because it is a perfectly feasible operation and a good option for the crisis in the country.

Credit Cards Authorized for Overseas Use

PA1112213194 Caracas Union Radio Network in Spanish 2200 GMT 9 Dec 94

[From "Union Radio News" newscast]

[FBIS Translated Excerpt] The president of the Venezuelan Credit Card Chamber today announced that credit cards issued by Venezuelan banks may be used abroad beginning 12 December. The decision was adopted some time ago by the Exchange Administration Board, but it will finally be implemented by the Venezuelan Credit Card Chamber this week.

It is worth noting, however, that this does not mean that all of those who possess credit cards will be able to use them. Banks that issue these cards will publish lists in

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newspapers with credit card numbers, and, if your number appears on that list, you are authorized to use your credit cards abroad; otherwise, you will not be authorized to use them. This is important to remember.

Second, credit cards will have an annual limit of $2,000, but the limit is for the calendar year, which means that between now and 31 December 1994, you have $2,000 at your disposal for use overseas. Starting on 1 January 1995, you will have an additional $2,000 at your disposal. For example, between 31 December 1994 and 1 January 1995, you could spend $4,000 on your credit card if you happen to be overseas. [as heard] [passage omitted]

Caldera Speech Marks Anniversary of Electoral Victory

PA0712215994 Caracas EL UNIVERSAL in Spanish 6 Dec 94 Section 1 p 15

[FBIS Translated Text] In an emotional speech made last night at the Central Park to commemorate the National Convergence's first anniversary of the electoral victory, which catapulted him into the presidency, President Caldera accused the "widows of the package" [viudas del paquete] of betraying the fatherland, and he decried the IESA [Institute of Higher Education for Administration] for lending its podium to present a negative message against the country.

Caldera spoke with optimism about the country's situation, and he warned neither sad, bitter predictions nor violence prone businessmen who want to fish in troubled waters will destroy his message.

The president lashed out against the television industry and accused television newscasts of taking delight in the country's drama and blaming the government for everything that happens

In another part of his speech, Caldera attacked Luis Herrera Campins and said the former president once referred to the builder [constructora] and not constructive opposition, and he said "you already know where he is now."

Herrera said former presidents in the past were treated like Chinese vases that were very much appreciated, but no one knew where to put them, and Caldera added "thank goodness the delegates at the Copei [Social Christian Party] meeting already found a place where to put him."

The president told Copei: "They now announce their opposition to the Caldera government, an opposition they were incapable of waging against the governments of Lusinchi and Carlos Andres Perez. And in the case of Perez, they even place Copei ministers in the cabinet. [no closing quotation mark as published]

They did bad for not opposing Lusinchi, and they did bad for not opposing Carlos Andres Perez. They want now to wage an opposition against Rafael Caldera, because Copei has not yet understood what the whole country knows, and that is the difference between the government of Caldera and a government of Lusinchi or Carlos Andres Perez. Copei's opposition position will be respected, however, because there is freedom in Venezuela, Copei supporters enjoy such freedom, and their consciousness will tell them where that wrong strategy will take them.

Caldera said that the country did not have reserves at the Central Bank and that the bolivar would fall to dramatic levels, forcing Venezuelans to jump into the air had he advanced Perez' economic package.

We believe in social justice, and that is why we argue no other government could have done things better, the president said.

I am speaking about the "gloomy prophets who want to scare the people. The bad thing is not what they say, because they have been wrong all along, but rather, the fact those messages try to encourage the negative forces that stand in the way of the fatherland's interests, Caldera stressed.

Caldera then criticized the IESA for lending its podium to spread the negative message.

I once said those who spoke bad of the country abroad, scaring investors away, were traitors against the fatherland, Caldera added.

"And how else can I describe the widows of the economic package?" the president remarked.

"Those who are spreading sad and bitter messages are going to have a different Christmas from the one we will have," the head of state said.

He invited the universities to talk in order to identify the problems of the sector, and he said universities, "when the government does not give them what they want, send students or hooded individuals into the streets who find a good ally in the television newscasts."

Caldera said: Whenever there is a demonstration, even if it is by 100 people only, the television media show it with euphoria and blame the government for the demonstration. If there is a crime of passion, the government is to blame, and if anything else goes wrong, the anchorman will proclaim: The government is to blame.

The president, who was interrupted by applause on several occasions, said he knows he can resolve the country's situation.

He said: If I were to believe we could not resolve the crisis, I would leave. What would I leave behind? he wondered. He answered himself: "Chaos. We are here," he added, "to face this chaos, an inherited situation." Caldera spoke about the banking crisis, which he described as the worst banking crisis in the world, and said it has been overcome.

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Caldera spoke about the budget. He said 33 percent of it will be used to serve the debt, which was irresponsibly acquired by others when the country had outstanding economic resources.

Caldera said his government will not permit monopolies that exploited the people in the past and took their dollars to live comfortably abroad.

He said: Businessmen have the right to earn money, but not through frantic speculation. This point is something, he said, my government will continue to fight.

He told the governors "money assigned to their states is not to be wasted or spent inefficiently."

Caldera affirmed: Hope is not dead. Hope is alive. "If I did not believe we are going to overcome the situation, it would be my obligation to leave, but I would leave behind a chaotic situation, and I am here to face chaos."

He insisted "adverse propaganda will not defeat us" and promised to face corruption, which "was the main cause of Venezuela's decline."

The president said corruption is the main target of his government's struggle, and this is the banner he will be taking this week to the Miami summit to procure not a rhetorical declaration but a commitment capable of producing meetings aimed at implementing measures to check the impunity of those who have shattered the hopes of many people, of those who have abusively taken Venezuela's wealth to enjoy them in foreign lands.

As the president sees it, there is a values struggle. He said that he believes in social justice and defends the rights of the humble and the workers and he is always prepared to talk and search for fair solutions although sometimes he has to confront excessive demands by labor leader cliques.

Caldera said the high cost of living bothers him, and for this reason he is struggling to find equitable solutions, because it would be irresponsible of him to issue decrees lowering prices, given this could end in inefficient results.

Caldera repeated that "indiscriminate" speculation is being checked, and the Chamber of Commerce has been told the government respects all honest businessmen and knows of their right to make earnings from their activities, but it cannot accept unchecked speculation in the name of freedom of commerce.

Caldera said he favors economic freedom and free markets, but, he said, what we have is a continuation of monopolies that have drained Venezuela's blood and taken its dollars to the United States and Europe to live in comfort while the Venezuelan people suffer the consequences.

The president asked governors who feel autonomous except when they have problems, which is when they appeal to the national government, to realize that central government funds are not granted to them so that they may waste them on inefficient bureaucracies or pompous events, but so that they may serve the people who have no interest in knowing who is responsible for satisfying their needs but want to see their needs efficiently satisfied.

National Convergence, MAS Leaders Support Caldera

PA0812022194 Caracas EL NACIONAL in Spanish 6 Dec 94 p D-1

[Article by Freddy Torres]

[FBIS Translated Text] Acknowledging the nation's serious financial crisis and the fact that inflation is taking its toll on Venezuelans, Senator Juan Jose Caldera, National Convergence coordinator, admitted that "it is very difficult to see that next year there will be light at the end of the tunnel."

The senator met yesterday with a group of cockroach leaders [term used to describe the small, hardy opposition parties that supported Caldera's bid for the presidency] in the National Convergence congressional faction to commemorate the anniversary of President Rafael Caldera's presidential victory and to give an account of his government's accomplishments.

Juan Jose Caldera did not hide the extent of the nation's crisis. "It is the worst crisis in the nation's history." He expressed confidence and hope that the crisis will be overcome with the concerted effort and participation of all Venezuelans. "The fight is won by fighting," he said. He showed confidence that by the end of President Caldera's administration, Venezuelans will begin to enjoy a period of progress and well-being, which supposes that the current problems will have been overcome.

The Convergence senator listed among the government's positive aspects the fact that there is political stability, credibility among those governing, and tranquillity in the financial sector.

He admitted that prices are increasing daily but defended the creation of solidarity associations as a means of obtaining basic foodstuffs at lower prices and as an alternative for guaranteeing their supply.

Although he stressed that times are tough, primarily due to the fiscal deficit, he defended the initiative to build homes for lower income sectors because it guarantees new jobs.

He stressed that President Caldera's administration will not desist in its efforts to help the very poor and said that after the first year of President Caldera's second term in office, his popularity is very high.

Regarding the laws that the executive has returned to Congress—something Radical Cause leaders view as a stall tactic to prolong the suspension of constitutional

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guarantees—the senator argued that the intention is to adapt the Insurance and Reinsurance Proposal and the Currency Exchange System Proposal to the executive's requirements to face the financial crisis.

He denied that the return of these projects to Congress is part of a strategy to delay the suspension of constitutional guarantees until the package of economic-financial laws proposed by the government is finally approved.

He said that the executive's decision is provided for in the National Constitution, therefore the president acted within his legal powers.

MAS [Movement Toward Socialism] Secretary General Enrique Ochoa Antich attended a news conference at National Convergence congressional faction headquarters and expressed his support for the Rafael Caldera administration's accomplishments in the first year following his electoral victory.

Ochoa Antich did not hide the fact that the socialist party has some different views regarding the president's policies, but he stressed that MAS continues to support President Caldera because it is important to place national interests above group interests.

He admitted that the president has made a great effort this year to solve the national crisis, but so many problems cannot be solved overnight because they are part of an inheritance of over 20 years of bad government.

Ochoa Antich blamed the AD [Democratic Action Party] and Copei [Social Christian Party] governments for the nation's current problems.

He defended President Caldera's performance because "he resumed the patriotic and solitary effort of rescuing the majesty of the president's office."

Ochoa Antich resolutely supported government measures to avoid the loss of the money put toward the recovery of the financial system. He praised the measures taken by Attorney General Jesus Petit Da Costa which have ensured that assets and properties of banks that requested financial aid and then allegedly used the funds for other purposes will return to the state.

Ochoa Antich indicated that MAS has organized an event called "a trial for bankers" on Saturday (in the Central Park plenary hall). Following the participation of Deputy Walter Marquez and playwright Jose Ignacio Cabrujas, a children's tribunal will try the "bankers who embezzled the people."

New Copei Secretary Rules Out Rapprochement With Caldera

PA1012030894 Caracas Union Radio Network in Spanish 2200 GMT 7 Dec 94

[Report by Maria Lilibeth Da Corte; from the "Union Radio News" newscast]

[FBIS Translated Text] Donald Ramirez, new Social Christian Party [Copei] secretary general, has flatly ruled out a rapprochement between President Rafael Caldera and the Copei. This statement by Ramirez was aimed at President Caldera alone, because he also said that the doors of the Copei are open for Copei dissidents who supported Caldera in the last elections. Ramirez pointed out that although he will lead a constructive opposition to the Caldera administration and that the president belongs to another political conglomerate, Copei will behave as an opposition party, as it indeed is, because people decided to make it an opposition party in the last elections.

[Begin Ramirez recording] This position is among our prospects and within our reach. I believe we must be very rational in view of Caldera, who no longer is a Copei member. He now is member of a political conglomerate to which Copei belongs. We can only hope that Caldera will be sucessful in his post as president of the Republic. We will be a party willing to support the current initiative in vogue: to find answers to serious structural problems. We will be part of the opposition, however, insofar as Caldera's actions are based on influence peddling and populism. [end recording]

As for the Copei internal process, Ramirez deemed it a victory for the active membership of the party, especially for the regional active membership. Finally, the new Copei secretary general thanked the media for their coverage not only on his campaign but also of the Copei National Convention.

Congress Reforms Laws Governing Armed Forces, Media

PA0912161594 Caracas Union Radio Network in Spanish 2200 GMT 6 Dec 94

[Report by Cecilia Cayone; from the "Union Radio News" newscast]

[FBIS Translated Text] The National Congress has approved reforms to the National Armed Forces Basic Law and the legislation regulating journalism.

On Tuesday, after being shelved for several years, the Senate of the Republic finally decided to unanimously approve reforms to the Media Law—a legal instrument that includes several [words indistinct] according to Manuel Isidro Molina, president of the Media Commission in the Chamber of Deputies.

[Begin Isidro Molina recording] It upholds the obligation of all Venezuelan journalists and expands the limits of professional responsibility. Article 3 establishes a perfect balance between all media employees and establishes the individual's right to reply, which is an asset in every civilian society. Therefore, any person who feels offended by a specific media report is entitled to demand an apology. In this respect, jornalists are obligated to extend the apology, and media owners are required to make the apology public. [end recording]

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With respect to the approval of the National Armed Forces Basic Law, Senator Lewis Perez stressed the significance of this legal instrument, which now allows military officers to be promoted not only on 5 July, but also on 31 December, as long as openings are available.

Navy Commander Says 1995 Budget Allocation 'Insufficient'

PA1012041194 Caracas EL GLOBO in Spanish 7 Dec 94 p 39

[Report by Jose Ramon Diaz—all figures, monetary units as published]

[FBIS Translated Text] The budget required to cover maintenance costs for the Navy fleet, which should really be 8.3 billion bolivares, has been substantially lowered, as Congress only approved 23 billion bolivares. Vice Admiral Carlos Augusto Ramos Flores, the Navy commanding general, said that amount is "insufficient" because the budget allocated by Congress is too small to cover all the needs.

We will have to perform a miracle, but we are aware of the country's precarious economic situation, he added.

Ramos Flores referred to the overall maintenance program for Navy equipment and the negotiations the Navy has been conducting with multinational companies for the past few years.

According to reports, the Navy has been negotiating financial agreements for the overall maintenance of its frigates. Specifically, the Navy is negotiating a financial clause with the Litton Igals Company to upgrade the Mariscal Sucre and Admiral Brion missile-equipped frigates, but no definite agreement has been reached yet.

Ramos Flores recalled that the Litton Company was granted the contract three years ago, but Congress did not approve the required funds. Now, however, Congress has assigned $315 million to begin the overall maintenance program for vessels, which will include first the F-21's and F-22's, and possibly F-24's or F-25's.

According to Ramos Flores, the 1995 Umbrella Law also allocated funds to continue other programs that began this year for frigates and the rest of the Navy's land and air units.

In sum, the Navy was allocated a budget of 23 billion bolivares for 1995, which will be insufficient to cover the maintenance cost of the Venezuelan naval fleet, which in real figures totals $8.3 billion.

Agricultural Projects To Assist With Security in Border Areas

PA1012011094 Caracas Union Radio Network in Spanish 2200 GMT 7 Dec 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] President Rafael Caldera, Agriculture and Livestock Minister Ciro Anez, and Defense Minister Rafael Angel Montero have signed an agreement on agricultural projects for the border regions. The objective of the agreement is to protect and defend the areas and to create minimum security guidelines for agricultural work.

Brigadier General Juan Manuel Gonzalez explained that the soldiers currently on agricultural draft will participate in these projects. Many of these soldiers are peasants who may settle in these territories after returning to civilian life. The projects will begin in December 1994 and will last five years.

Army Arrests 100 Undocumented Colombian Citizens

PA1112044194 Caracas EL UNIVERSAL In Spanish 8 Dec 94 Section 1 p 14

[Report by Berenice Gomez Velasquez]

[FBIS Translated Text] The Venezuelan Army's Special Operations Battalion, BOE, has arrested approximately 100 Colombian citizens without identification documents as a result of constant patrols between La Charca and El Cutufi, commanders of the military units stationed in the area reported.

The arrests took place during patrol operations by air, river, and land at the border, which were ordered by the defense minister in accordance with an agreement signed with the Colombian defense minister.

The Venezuelan military commanders said that the patrol operations are taking place throughout the country and that the arrest of this group of people was legal because they were conducting illegal activities in Venezuela.

Serafin Contreras, who held no documents and identified himself as a Colombian citizen, was arrested on 30 November in the sector of Cano Tronqueras, Venezuelan territory. He was accompanied by other people who were fishing illegally and killing young fish in Arauca River. Soldiers confiscated the canoe in which they were fishing and a 30 horsepower engine.

The other Colombian fishermen arrested without documents were: Erasmo Patino Rangel, Arquimedes Vergel, Winston Arley Pinzon Casas, Ciro Antonio Agudello, Fernandoo Jaimes Piedralta, and Eliodoro Rodriguez Nieto.

Army soldiers also arrested Venezuelan Mercedes Gonzalez and confiscated the canoe and an outboard motor used to illegally transport a group of undocumented Colombians between Puerto Contreras, Colombia, and Cano Colorado, Venezuela.

The confiscated vessels are currently at the military post in La Charca, Apure State.

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On Saturday, 3 November, the Army's BOE arrested 73 Colombians during an operation in Cano Gaital, Tres Esquinas sector, in Venezuelan territory. They were immediately placed under the custody of the Immigration and Border Office.

Statements From Legalized Guerrillas Rejected

The military commanders rejected official statements from Colombia, particularly one attributed to Councilman Juan Gutierrez, whom they described as an instrument of the legalized guerrillas, who protested "the disappearance of eight Colombian fishermen and the detention of 20 others in the Arauca River, at the Venezuelan border."

The Venezuelan commanders said that, oddly enough, Gutierrez' statement was circulated in Venezuela through a dispatch from the Cuban news agency PRENSA LATINA.

The PRENSA LATINA report also reports that certain houses belonging to local fishermen in the same Arauca Department area were set on fire and that boats belonging to Colombian fishermen were seized. "Those craft are now used by the Venezuelan Army to travel the Arauca River."

The version of the Venezuelan military who operate in the area, is: "Of course, we set the huts on fire, at the request of the landowners, because the huts were built by Colombian squatters on Venezuelan territory, against the law and against the will of the landowners, who reported them."

The plots of land taken over by these Colombian citizens are: plot 46 belonging to Felix Contreras; plot 48, belonging to Santos Moncada; and plot 50, belonging to Luis Briceno.

The Venezuelan military reported that the squatters were removed and placed with their belongings on the Colombian border.

Caldera Criticizes Retired Generals' Comments on AMX-30 Tanks

PA1112184394 Caracas EL NACIONAL in Spanish 9 Dec 94 p D-1

[Report by Adela Leal]

[FBIS Translated Text] Venezuelan President Rafael Caldera described as regrettable the "spectacle" retired Army generals, who have occupied top positions in the FAN [National Armed Forces], have been ventilating through the media in the last few weeks over the problem with the renovation of the AMX-30 tanks.

The head of state discussed the issue during his speech at Fort Tiuna on 5 December to commanders of the Army's tactical unit. It was reported the president said "the spectacle, which, unfortunately, has been going on lately, can benefit the military in no way."

He said: It is unfortunate. I feel these gentlemen, who we have greatly appreciated and who have occupied positions of great responsibility in the country, have forgotten they as soldiers, as outstanding members, and as former chiefs of the FAN should not be setting an example that can cause the impression there is a type of discrepancy or dissent, which has no place in the FAN.

He admitted "we are facing a delicate moment," but the determination of the officers is firm and clear in this difficult situation.

He said the FAN is united today more than ever in its commitment to serve the country and to support efforts so that peace and development can be imposed above any process previously experienced in the country.

Guyana

STABROEK NEWS: Caribbean Nations 'Taken for a Ride' on Summit

FL1112014594 Bridgetown CANA in English 1633 GMT 10 Dec 94

[FBIS Transcribed Text] Georgetown, Guyana, Dec. 10, CANA—Following is the text of editorial in Saturday's STABROEK NEWS:

"The Summit of the Americas in Miami began with an offical dinner last night expected to be attended by 34 heads of government of North and Central America and the Caribbean. The only leader not invited was Fidel Castro of Cuba because he has not held open elections. That is, of course, true but the moment democracy is construed in a wider sense than holding fair elections the credentials of other governments could have been challenged. It is disappointing that no leaders took a stand on this issue though it is said some may raise it at the Summit.

The Summit will issue a Declaration of Principles and a Plan of Action which will be signed and put forward at a press conference tomorrow. These documents, of course, already exist in more or less final form. The original drafts were put up by the U.S. government and were discussed at the regional level. Several proposals for changes were made, quite few by the government of Guyana, and there were substantial changes to the original draft. But as U.S. Secretary of Commerce Ron Brown said in a recent interview the Summit is not a trade negotiation. It will deal, of course, with economic integration and free trade, which is perhaps the main focus of the Summit but it will not deal with specific trade issues like bananas, sugar and textiles and garments, as Caricom [Caribbean Community] and U.S officals.

On the trade front the issue is NAFTA and how this affects Latin America and the Caribbean. The Clinton administration dropped the Interim Trade Proposal which was designed to give Caribbean exports access to the U.S. market in terms similar to those extended to

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Mexico and Canada in NAFTA. This was done to secure Congesssional approval for the new General Agreement on Tariffs and Trade (GATT). The Administration has already said it will try to get the next session of the Republican dominated Congress to approve the Interim Trade Proposal which would give NAFTA parity to the Caribbean.

There is, of course, considerable concern among manufacturers and others in the region about the effect of trade liberalisation and there has been talk of seeking a phasing in period. But on balance it seems clear that Caribbean countries have little choice. They will have to go in or be left out in the cold. Indeed the Region has already broken ranks on this and Jamaica and Trinidad were the first in Caricom to apply separately to join NAFTA. The Action Plan talks of constructing an Americas Free Trade Area in which barriers to trade and investment will be progressively eliminated. The object appears to be to build on NAFTA and other sub-regional trade arrangements and to bring them all together eventually in one giant Free Trade Area.

Caricom will have little real say in all this. Its economies will have to adjust to this, sooner or later. Some industries that cannot compete will go to the wall. And breaking in to the U.S. market for manufacturing exports will not prove easy in practice.

So the Summit will endorse broad principles like strengthening democratic institutions, the rule of law, the role of the private sector, conserving the environment and fighting the drug menace. A detailed counter-narcotics strategy has been prepared for adoption.

Debt relief, much pressed by President Jagan, is unlikely to be on the main agenda but may be discussed in bilateral meetings. The Regional Development Fund proposed by Guyana may also lack the necessary support.

One commentator described the Summit as an elaborate photo opportunity. That is not entirely fair. It seeks, essentially, to endorse hemispheric free trade and democratic government. This agenda is not, of course, set by the Caribbean which is being taken for a ride. In reality it has little or no choice but to go along though the effects on our economies, as evidenced by the possible banana crisis if the petition by Chiquita Brands attacking European Union preference for the Caribbean bananas is pushed through remain to be seen and are likely to require painful adjustments."

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